IN THE MATTER OF FACT-FINDING
BEFORE GREGORY J. LAVELLE, FACT-FINDER

OHIO PATROLMEN'S BENEVOLENT ASSOCIATION	**CASE NO. 06-MED-10-1219, 1220, 1221 (Dispatchers, Sergeants and Patrolmen)**
AND	**RECOMMENDATION OF THE FACT-FINDER**
CITY OF HIGHLAND HEIGHTS	

STATE EMPLOYMENT RELATIONS BOARD
2007 MAR -8 A 11: 45

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March 8, 2007

PREFACE

The Fact-Finding process in this matter was conducted in an atmosphere of professionalism, honesty and mutual cooperation. The parties were well represented by counsel and committee members who were thoroughly prepared to present their evidence and who worked very effectively to reach a mutual understanding. Where there were disagreements, those disagreements were generally differences of opinion regarding the best manner in which to approach mutual problems. The fact that the parties demonstrated that they were genuinely interested in dealing with rising health care costs enabled the Fact-Finder to make recommendations with respect to health care benefits and the Health Care Committee which might not otherwise have been made. The parties should be proud of the good relationship that they have created and maintained and should be appreciative of the fact that such a good relationship is not always the norm between public employers and their employees and employee organizations.

DESCRIPTION OF THE UNITS

The bargaining units covered by this Fact-Finding Report consist of twenty-five (25) full-time employees of the Highland Heights Police Department in the ranks/classifications of Dispatcher, Sergeant and Patrolmen covered under separate collective bargaining agreements and SERB Case Numbers as follows:

Dispatchers	(6)	06-MED-10-1219
Sergeants	(4)	06-MED-10-1220
Patrolmen	(15)	06-MED-10-1221

BARGAINING HISTORY

This Fact-Finding Report relates to collective bargaining agreements between the City of Highland Heights (hereinafter, the City) and the Ohio Patrolmen's Benevolent Association (hereinafter, the OPBA) which will cover Dispatchers, Sergeants and Patrolmen. The separate collective bargaining units are "deemed-certified" units, having been in place before April 1, 1984. The prior collective bargaining agreements had a duration from January 1, 2004 through December 31, 2006.

INTRODUCTION

Preliminary Matters:

The Fact-Finder was appointed on December 8, 2006. The parties thereafter mutually extended the period for negotiations and the issuance of the Fact-Finding Report. The Fact-Finding Hearing was ultimately held on February 23, 2007 with a telephone Pre-Hearing Conference being held on February 21, 2007. Copies of the current Collective Bargaining Agreements and the Position Statements of each party were timely received by the Fact-Finder as required under the Ohio Administrative Code. The parties were requested by the Fact-Finder to provide copies of tentatively agreed items, including sections from the prior collective bargaining agreements which the parties agreed would remain unchanged. Newly negotiated agreed items were provided by the parties; Article VIII, Employee Rights, Section 8.01, Article X, Sick Leave, Section 10.09, Article XV, Funeral Leave, Section 15.01, Article XVI, Probation and Training Pay, Section 16.01 and 16.02, Article XVIII, Education and Other Pay, Section 18.05, (Patrol and Sergeant contract), Article XXXI, Corrective Action, Article XXXV, Physical Fitness, Section 35.01 (Separate Dispatcher Contract) (Sergeant and Patrol Contracts).

Confirmed also were memoranda of understanding for each unit regarding various items being paid by separate check and an Addendum to the contracts of all units relative to twelve (12) hour shifts.

The City, in its Position Statement, indicated that it had agreed to the OPBA proposal with respect to the Labor Management Committee and indicated that there were seven (7) issues which remained unresolved by the parties:

Vacation
Health Insurance
Health Care Committee
Compensation
Overtime and Court Time
Travel Time
Duration

A Pre-Hearing Conference was held on February 21, 2003. The parties stipulated that the Fact-Finder was to issue a single report covering the separate bargaining units and stipulated that each unit would separately consider the Recommendation of the Fact-Finder for ratification. The parties further agreed that the Recommendation was to be sent to the parties by overnight express mail on March 7, 2007 and to be emailed to the parties on March 8, 2007

Hearing in Chief:

The Fact-Finding Hearing was conducted pursuant to the Ohio Collective Bargaining Law and the Regulations of the State Employment Relations Board on February 23, 2007 in the City Hall of the City of Highland Heights. The parties were given full opportunity to present testimony and documentary evidence in support of their respective positions.

In making the recommendations in this report, consideration was given to the following criteria listed in Rule 4117-9-05(K) of the State Employment Relations Board:

(1) Past collective bargaining agreements 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 the 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 public service;

(4) The lawful authority of the Public Employer;

(5) The stipulations of the parties;

(6) Such other factors, not confined to those listed 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

The City, at hearing, provided a list of provisions of the collective bargaining agreement which the parties agreed were to remain unchanged:

Article I	Preamble
Article II	Purpose and Intent
Article III	Recognition
Article IV	Management Rights
Article V	No-Strike
Article VI	Non-Discrimination
Article VII	Dues Deduction
Article IX	Association Representative
Article XII	Holidays
Article XIII	Personal Leave
Article XIV	Jury Duty Leave
Article XVI	Injury Leave
Article XXIII	Officer in Charge Pay
Article XXIV	Detective Bureau Premium
Article XXV	Miscellaneous
Article XXVI	Headings
Article XXVII	Gender and Plural

Article XXVIII	Obligation to Negotiate
Article XXIX	Total Agreement
Article XXX	Conformity to Law
Article XXXIII	Deferred Federal and State Income Tax on Employees' Pension Contributions
Article XXXIII	Grievance Procedure
Article XXXIV	Arbitration Procedure
Article XXXVI	Execution

In further discussions, the parties confirmed that agreement had been reached with respect to other items; Article X, Sick Leave, Article XV, Funeral Leave, Article XXX, Corrective Action (Title changed from "Discipline), Physical Fitness (to be numbered and added to the Dispatcher Contract) and a Memoranda of Understanding regarding payments by separate check for each collective bargaining agreement.

The Fact-Finder, based on a review of the Position Statements of the parties and preliminary discussions at hearing, requested that the parties give Opening Statements to outline their positions and proofs with respect to the crucial issue of health care. The parties proceeded to give Opening Statements.

The City, in its Opening Statement indicated that the rate charged by its health insurance provider, Medical Mutual, had increased by 25.95% on November 1, 2006 for single coverage and by 29.59% for family coverage. The City maintained that it expected similar increases in the following years. The City pointed out language in the collective bargaining agreements which would permit it to change insurance carriers so long as the benefits provided were "comparable" and indicated that it could save over two hundred dollars ($ 200.00) per month by switching to UHC as the provider and by instituting changes in deductibles and co-pays and other limitations of benefits under the UHC Plan. The City indicated that it was willing to offset the increased costs of health care for the

employees by providing a Health Care Bonus, a Flexible Savings Account, wage increases of four percent (4%) per year and similar increases in other areas of compensation.

The City indicated that a major problem with the present health care package is that it offers no incentives to employees to act responsibly with respect to their health care choices. The City indicated that without general deductibles and without specific deductibles with respect to such services as doctor, urgicare and emergency room visits the experience of the City drove up its rates dramatically and that insurance carriers were unwilling to bid for the business of the City.

The OPBA, in its Opening Statement, indicated that it was willing to share in the costs of health care through payroll deductions if premiums reached given levels and that it wanted to participate in the decisions regarding health care through a Health Care Committee. The OPBA expressed concerns about deductibles, co-pays, changes in the eligibility criteria for children and limits on certain services and further expressed concerns with changing carriers.

The parties agreed to permit the Fact-Finder to attempt to mediate the matter. Based on the presentations of the parties, the Fact-Finder indicated that it would be very difficult to recommend a change in carriers since the proposed health plan was not in place for any other employee group within the City and since there was no contract with the proposed carrier to review to assure that there would be no transitional issues which might leave given employees totally without coverage or without coverage with respect to particular pre-existing conditions. It was also noted that coverage would cease to exist for some older dependent children under the proposed UHC Plan. The Fact-Finder

further noted that the OPBA recognized that the City did maintain the right to change carriers and that the OPBA and the membership wanted to be informed and involved in the analysis of the plans and costs and in the selection of coverage and carriers.

It was further noted from the discussions in mediation that the UHC program was a "packaged plan", but that a Medical Mutual plan could be created on an "a la carte" basis. Based on the discussions in mediation, the City obtained a quote from Medical Mutual for a plan which would have a two hundred fifty dollar ($ 250.00) individual deductible, a seven hundred fifty dollar ($ 750.00) family deductible, co-pays for office visits of fifteen dollars ($ 15.00), co-pays for urgent care visits of thirty-five dollars ($ 35.00) and co-pays for emergency room visits of one hundred dollars ($ 100.00), The City represented that the changes in deductibles and co-pays would reduce the cost of single coverage from $ 461.00 to $ 406.00 and the cost of family coverage from $ 1,152.00 to $ 1,014.00. Based on the discussions between the parties and the quotes received from Medical Mutual, the City modified its health care proposal such that it would continue the current coverage through Medical Mutual with the exception that the individual and family deductibles and doctor, urgicare and emergency room copays as proposed would become effective April 1, 2007. The City further modified its proposal to withdraw the proposal for a Health Care Bonus, amended its proposal with respect to the Health Care Flexible Spending Account to make the same effective January 1, 2008 and reduced its economic offer per contract year from 4%, 3.75%, 3.5% to 3.25%, 3.25%, 3.25%.

The parties proceeded to hearing based on the modified proposals of the City. The Fact-Finding Hearing was concluded and the parties confirmed the previous

stipulation that the Report of the Fact Finder would be transmitted to the parties on March 7, 2007.

DISCUSSION OF THE ISSUES

PREFACE

In reviewing items which the parties confirmed to be unchanged, confirmed newly settled items and open items, it appears that the confirmation of settled unchanged items references the Patrolmen's contact. Since the numbering of items varies among the contracts, it is assumed that there is no intention to change items having the same titles but different article numbers in the Dispatch and Sergeant contracts. The Fact-Finder, noting no proposal from either party with respect to said items, or with respect to the Layoff and Recall article of the Dispatch contract, considers the following provisions to be settled as unchanged and recommended as such in this Report:

Article XXIII, Miscellaneous	Dispatcher Contract
Article XXIII, Detective Bureau Premium	Sergeant Contract
Article XXIV, Miscellaneous	Sergeant Contract
Article XXIV, Headings	Dispatch Contract
Article XXV, Gender and Plural	Dispatch Contract
Article XXV, Headings	Sergeant Contract
Article XXVI, Obligation to Negotiate	Dispatch Contract
Article XXVI, Gender and Plural	Sergeant Contract
Article XXVII, Total Agreement	Dispatch Contract
Article XXVII, Obligation to Negotiate	Sergeant Contract
Article XXVIII, Conformity to Law	Dispatch Contract
Article XXVIII, Total Agreement	Sergeant Contract
Article XXIX, Discipline	Dispatch Contract
Article XXIX, Conformity to Law	Sergeant Contract
Article XXX, Deferred Federal and State Income Tax on Employees' Pension Contributions	Dispatch Contract
Article XXX, Discipline	Sergeant Contract
Article XXXI, Grievance Procedure	Dispatch Contract

Article XXXI, Deferred Federal and State Income Tax on Employees' Pension Contributions	Sergeant Contract
Article XXXII, Arbitration Procedure	Dispatch Contract
Article XXXII, Grievance Procedure	Sergeant Contract
Article XXXIII, Arbitration Procedure	Sergeant Contract
Article XXXIV, Layoff and Recall	Dispatch Contract

The Fact-Finder notes tentative agreements with respect to some sections of of some articles such as Sick Leave, Article X, Section 10.09. Noting no proposals of either party to change any other sections of said articles, recommends that the remaining sections of said articles remain unchanged.

INTRODUCTION TO DISCUSSION OF THE ISSUES

The crucial issue in this matter is the issue of Health Insurance. That issue, therefore, will be discussed first since the recommendation with respect to that issue impacts all other economic issues. The recommendation of the Fact-Finder with respect to Article XX, Insurance, Sections 20.02 and 20.03, the Health Care Bonus, the Health Care Opt-Out provision, the Flexible Spending Account and with respect to the proposed Health Care Committee are inexorably intertwined. Those issues, therefore, will be discussed together herein. The next issue to be discussed will be the matter of the level of the general wage increase as it applies to the various compensation provisions of the collective bargaining agreement. Finally, the remaining articles in dispute will be discussed in order of their appearance in the collective bargaining agreements.

ARTICLE XX, SECTION XX, INSURANCE, Section 20.02 (Health Insurance)

Positions of the Parties

The City, after mediation, proposed to continue the existing Medical Mutual Plan in all respects until November 1, 2007 except that there would be a single deductible of two hundred fifty dollars ($ 250.00), a family deductible of seven hundred fifty dollars ($ 750.00) and co-pays for office visits of fifteen dollars ($ 15.00), co-pays for urgent care visits of thirty-five dollars ($ 35.00) and co-pays for emergency room visits of one hundred dollars ($ 100.00). The City further proposed to pay the entire health insurance premium, regardless of the cost. The City withdrew its previous proposal to give a health care bonus of four hundred Dollars ($ 400.00). The OPBA did not change its proposal and continued to propose that the present coverage be maintained and to increase the amount of premiums which would be paid by the City in case of premium increases.

Discussion

The parties are in agreement that health care costs need to be controlled in light of the massive increases in premiums quoted by Medical Mutual. The proposal of the OPBA which allows a limited sharing of premium costs does not reach the basic problem with which City is faced; an unfavorable experience rating and the inability to secure bids for the type of coverage provided by the Medical Mutual plan. From the evidence presented, the only reasonable way to address those problems is to require deductibles and co-pays to provide an incentive to employees to contain health care costs.

The OPBA makes a good point that the coverage offered by UHC, in addition to having deductibles and co-pays, limits certain coverages and denies coverage altogether to some dependent children. In addition, the Fact-Finder notes that there is no contract to

review to assure that there are no "pre-existing condition" issues which may arise. With adequate time, cooperation and full disclosure through the mechanics of the Health Care Committee, those types of issues should be resolvable.

Implicit in the language of the modified proposal of the City was that the current coverages and carriers would remain the same through October 31, 2007. Discussions also indicated that the deductibles and co-pays would be effective April 1, 2007. The Fact-Finder therefore recommends the following language for Article XX, Section 20.02:

ARTICLE XX

INSURANCE

20.02 Upon commencement of employment, all full time employees of the municipality* shall be entitled to personal health care coverage and benefits and family health care coverage and benefits where applicable. The employer will pay one hundred percent (100%) of the premium. Except as otherwise provided herein, the plans and carriers shall not change prior to November 1, 2007. Health care coverage and benefits include existing health existing health, dental, prescription and hospitalization coverage and benefits will remain unchanged with the exception that there will be effective April 1, 2007, a two hundred fifty dollar ($ 250.00) individual deductible, a seven hundred fifty dollar ($ 750.00) family deductible, co-pays for office visits of fifteen dollars ($ 15.00), co-pays for urgent care visits of thirty-five dollars ($ 35.00) and co-pays for emergency room visits of one hundred dollars ($ 100.00). Prescription deductibles for employees shall remain Ten Dollars ($10.00) for generic/Twenty Dollars ($20.00) for non-generic for a thirty (30) day supply. A summary of benefits of the health care coverages and benefits that shall be provided by the City is attached hereto as Exhibit A. The employer reserves the right to change insurers on or after November 1, 2007, providing the benefits are comparable to the existing coverage. In the event that the Employer changes insurers and the Union asserts that the benefits are not comparable to the existing coverage, a grievance may be filed at the third step of the grievance procedure as provided for in Article 32.03(C) of this agreement. If the grievance is denied, the Union may refer the grievance to arbitration pursuant to Article 34 of this agreement.

* The use of the word "Municipality" where there is a defined term "City" implies that a different meaning is intended. If there is no actual intent to distinguish people employed by the "City" from people employed by the "Municipality", the term should be changed to "City" for the sake on consistency.

ARTICLE XX, SECTION XX, INSURANCE, Section 20.03 (Life Insurance)

Positions of the Parties

The OPBA proposes to increase the amount of life insurance coverage for off duty death related to performing law enforcement duties to fifty thousand dollars ($ 50,000.00) and for on duty death to one hundred thousand dollars ($ 100,000.00). The City proposes no change in the life insurance provision.

Discussion

There is some question whether coverage could be written for "off duty death related to performing law enforcement duties." Regardless of that issue, the real question with respect to the issue of increased life insurance coverage is cost. While there were no cost figures provided, it must be assumed that there would be some cost associated with the increase in benefits. In light of the increased costs in other areas to be absorbed by the City, any extra costs in this area can not be recommended. It is therefore recommended that Section 20.03 remain unchanged.

ARTICLE XX, SECTION XX, INSURANCE, Section 20.05 (Health Care Committee)

Positions of the Parties

The parties are in general agreement that there should be a health care committee. The OPBA desires that there be a member of each of its bargaining units on the committee. The OPBA seeks to have the right to provide advice and consultation with respect to the process of reviewing and accepting bids. The OPBA seeks to have meetings every other month.

The City proposal would allow the OPBA only one member on the Health Care Committee, would limit the type of input the Committee could provide, would impliedly

permit only two (2) meetings a year and makes explicit what is implicit in the OPBA proposal that the Committee does not have any decision making power.

Discussion

The first matter to review in the difference in the number of OPBA members permitted on the Committee. The OPBA would want to have three (3) members while the City would want to allow only one (1) member of the OPBA to be on the Committee. There was no discussion at hearing with respect to this particular issue. The City may have concerns that the Committee could become "unwieldy" because of size. It may also have concerns that the other units may feel that the police "unit" is overrepresented or the City could feel that the police would have too much of a "vote" under the OPBA proposal.

There is no indication in this case that the Committee would be too large. There is no profusion of bargaining units. If there is some concern about over-representation on the part of the OPBA as compared to the fire unit, the Mayor could accept a suggestion from the Fire Unit to appoint two (2) additional persons from that unit as "Mayor's Picks". Finally, since under the recommendation of the Fact Finder, the Committee will have no power to select the carrier or level of benefits, there can be no concern over the "voting power" of the Police units. Therefore, it is recommended that there be a representative from each OPBA unit on the Committee.

The next area of difference between the proposals of the parties concerns the nature of the input which the Committee would have with respect to the decision-making process. Under the City proposal, the Committee would be limited to "providing the City and the provider with suggestions on the provision of health care services and concerns

with current coverage". That language does not seem to contemplate that the Committee could pose questions to and receive information from the City and/or the provider with respect to the nature and cost of coverage. Literally read, it would not seem to allow the Committee to voice concerns about "proposed" as opposed to "current coverage". The OPBA definitely complained during the course of the Fact-Finding Hearing that it had not received information about the bids. There appeared to be some distrust of the bidding process, mainly because of the lack of information. If the Health Care Committee is to work, the OPBA must be able to trust the process. The language relative to the purpose of the Committee, therefore, must grant the Committee the ability to request, receive and review information concerning health care benefits.

The next matter of difference between the OPBA and City proposals is the statement of the power of the Committee. The City makes clear in its proposal that the Committee does not have the power to determine the health care provider or the level of benefits. The OPBA proposal is silent with respect to the power of the Committee. It was clear from discussions at hearing that the OPBA did not intend that the Health Care Committee have the power to make decisions regarding health care. It is important that it made clear that the Health Care Committee does not have the power to make decisions regarding health care. The recommended language will make clear that the Committee has no such power.

The next point of difference between the proposals is the number and timing of the meetings of the Committee. The OPBA would have the Committee meet every other month. The City proposal would have the Committee meet at least once prior to November 1st. Literally read, the language of the City proposal would contemplate only

one additional meeting per year. A mandatory meeting every other month would seem too much. On the other hand, a single meeting **just** before November 1st with the possibility of a single additional meeting would seem too little. The Committee meeting should not be viewed as a quick "trick or treat" on October 31st. Therefore, it is recommended by the Fact-Finder that there be at least one meeting prior to the time of requesting bids for insurance coverage with the possibility of additional meetings as requested and agreed. The recommended language for Article XX, Section 20.5 is as follows:

> Section 20.05
>
> The Union may elect one of its members from each bargaining unit as a participant in a health care committee to be established by the City to discuss issues related to the health insurance to be provided by the City. The Committee shall consist of one member of each other bargaining unit of the City and such other members as the Mayor may appoint. The purpose of the Committee is limited to receiving information regarding existing or proposed health care coverage and the costs thereof and with providing the City with suggestions on the provision of health care services and concerns with current and/or proposed coverage. The Committee will not be empowered to select the health care provider, to determine the level of benefits or to make any other decision with respect to health care coverage. The Committee will meet at least once annually before November 1st prior to the requesting of bids for insurance coverage. Either the City or any member of the committee may request additional meetings at any time.

ARTICLE XX, SECTION XX, INSURANCE, Section 20.05 (Health Care Bonus)

Positions of the Parties

The City, initially proposed a health care bonus of four hundred dollars ($ 400.00) for any employee enrolled in the City's health insurance. The OPBA rejected the proposal since it was a part of a package proposal which included a change in coverage and carriers. The City, after mediation, withdrew its proposal for a health care bonus.

Discussion

The problem with the overall health care proposal of the City which would create deductibles and co-pays which would be partially offset by increases in other items of compensation is that it undercompensates some members of the bargaining unit while overcompensating others. Persons taking no health insurance who receive a higher wage increase would receive a windfall. Persons who take family coverage, however, would suffer what would be perceived to be a nearly a two percent (2%) hit in health care costs which would not be seen as being offset by the higher wage increase. One can easily expect to meet the family deductible and have two (2) doctor visits per year per adult and a three (3) doctor visits and an emergency room visit per child. For a family with two children, the reasonably expected out-of-pocket would one thousand one hundred dollars ($ 1,100.00), calculated as follows:

Deductible	$ 750.00
Doctor visits - adult 4 @ $ 15.00	60.00
Doctor visits - child 6 @ $ 15.00	90.00
Emergency Room 2 @ $ 100.00	200.00
Total	$ 1,100.00

For that person, a wage increase .75% higher than would otherwise be expected, or about four hundred fifty dollars ($ 450.00) ($ 60,000 x .0075 = $ 450.00) would be viewed as a net loss. On the other hand, for those taking no coverage, that higher wage increase would represent a windfall. The initial proposal of the City in Fact-Finding was obviously designed to address this problem.

The beauty of the process of Fact-Finding is that the Fact-Finder is not required to accept only the **exact** proposal of either party. In this case, logic indicates that there be a

health care bonus to address the relative inequity issues. The Health Care Bonus should, however, address another issue of inequity. The City proposal for a Health Care Bonus did not address the difference between single and family coverage, providing the same bonus for those taking single coverage as for those taking family coverage. For the single person, a four hundred dollar ($ 400.00) bonus coupled with a higher wage increase would also result in some "windfall". While only one person is taking single coverage under the collective bargaining agreements covered by this report, it is likely that the City would want to maintain consistency among all employees. The Fact-Finder therefore recommends that there be a four hundred dollar ($ 400.00) Health Care Bonus for those taking family coverage and a one hundred fifty dollar ($ 150.00) bonus for those taking single coverage, the language of the Health Care Bonus provision to read as follows:

> 20.06 The employer will pay employees enrolled in the City's health insurance a Health Care Bonus of Four Hundred Dollars ($400.00) in January of each year of the agreement if enrolled for family coverage and a bonus of one hundred fifty dollars ($ 150.00) if enrolled for single coverage.

ARTICLE XX, SECTION XX, INSURANCE, Section 20.04 (Health Care "Opt-Out"

Positions of the Parties

The City proposes that the "Opt-Out" bonus be changed from five hundred dollars ($ 500.00) per month for persons eligible for family coverage to opt out ($ 6,000.00) per year to one hundred dollars ($ 100.00) per pay period ($ 2,600.00 or $ 2,700.00 year, depending on the number of pay periods). The City also proposes to eliminate any bonus for persons who "Opt-out" of single coverage. The OPBA rejects this proposal.

Discussion

The OPBA obviously rejects this proposal because it represents a take-back. The City argues that its Opt-Out Bonus is higher than that in place with other employers. Take backs generally create animosity and create barriers to ratification. Irrespective of the perceived "take-back" issue, there is the issue of whether the proposal will actually cost or save the City money. With the cost of the premiums which the City absorbs in full increasing, the City should want **more**, rather than **fewer** persons to opt out. If half of those now opting out opt in, the City would lose money. In addition, those people inclined to "double up" on coverage may be persons with high usage who would negatively impact the City experience rate.

While the City proposal may not provide enough incentive for employees to opt out of family coverage, it provides no incentive at all for employees to opt out of single coverage. Under the City proposal, there is no opt-out payment for single coverage. With there being no payment for opt outs for single coverage, no sensible person would opt-out of single coverage. The City, therefore, instead of paying two hundred dollars ($ 200.00) a month, would be paying four hundred six dollars ($ 406.00) a month until November 1, 2007 and quite likely even more after that date. The City logic is that a person really could not opt out of single coverage since there is no spouse who could have other coverage. What the City fails to recognize is that people in today's economy may have two (2) full time jobs. Another possibility is that the employee is a returning public retiree who has coverage through a public retirement system. Yet another possibility is that the employee who is a widow or widower who has coverage available through the retirement system of a deceased spouse. (Example: This Fact-

Finder) The latter two (2) possible "opt-outs" are obviously older persons who are the most expensive "opt-ins" in terms of experience ratings.

The proposal of the City presents issues which may impair ratification. The proposal further has not been demonstrated to save, rather than cost, the City money. The Fact-Finder therefore rejects this proposal and recommends that the current language be maintained.

ARTICLE XX, SECTION XX, INSURANCE, Section 20.06 (Flexible Spending Account)

Positions of the Parties

The City proposed to create a Flexible Spending Account for employees. The OPBA did not oppose the proposal. In discussions at hearing, the City indicated that such an account could not be created before January 1, 2008. For that reason, the Fact-Finder recommends that the language of said provision read as follows:

> Effective January 1, 2008, each employee enrolled in the employer's health insurance plan, will be permitted to make contributions to a Flexible Spending Account to be administered by a third party provider.

It is noted that neither party proposed a change in Article XX, Section 20.01 (Professional Liability Insurance) It is therefore recommended that said section remain unchanged.

GENERAL ECONOMIC INCREASE

There are a number of ways to consider the question of the appropriate general wage increase. Each of them is arguably "right" and arguably "wrong". As Mark Twain was fond of saying, "There are lies, there are damned lies and then there are statistics." A

person, if allowed to choose his factors of comparison, would be able to justify practically any proposition.

There are a number of possible factors to consider. One factor is the rate of inflation. Generally, if the nature of the job does not change, an employee should receive the same level of real compensation from year to year. Real compensation or "real dollars" is measured by the purchasing power of the money received. In this case, using the "real dollar" measure, annual wage increases of about 3.3% would be appropriate since that was the most recent the Social Security Cost of Living adjustment. (See attachment 1) As the City correctly points out, however, that figure with respect to this bargaining unit would represent an overstatement, since the cost of living increase includes an element for increases in health care costs.

Another factor to consider is the expectations of the employees. Using that factor, the appropriate wage increase would be 3.5% since that was the rate of increase received in the prior collective bargaining agreement.

One might argue that one must consider the rates of increases in comparable collective bargaining agreements. In a vacuum, using only the raw data of wage increases, the rate of increase again would appear to be about 3.5%. (See Union Exhibit 7). The problem with using such comparables, however, is that only wages are shown. If the employees of the other bargaining units received significant increases in other areas of compensation or suffered significant increases in their cost for health care, the comparison becomes meaningless.

Another matter to consider is market inequity. A party can argue that employees in similar communities receive either greater or lesser wages for similar positions. Such

a factor would be important in an initial collective bargaining agreement. In a long standing collective bargaining relationship, however, it must be assumed that the parties have established the relative niche in the market place.

The real factor to consider, the factor upon which ratification is based, is the perception of the parties as to the fairness of the proposal. A bargaining unit member who takes family coverage will probably view the Health Care proposal as resulting in about a $ 600.00 out of pocket loss, even with the Health Care Bonus. ($ 1,000.00 in probable deductibles and co-pays, less $ 400.00 Health Care Bonus) An employee may may not appreciate the fact that the Flexible Spending Account could provide him over three hundred dollars ($ 300.00) in additional expendable income if one hundred dollars ($ 100.00) is put into the account per month. (Incremental tax rate for City/State/Local taxes 28% x $ 1,200.00 = $ 336.00) That person, to feel that he "broke even" with the prior contract, would feel that he would have to get 4.5% wage increase in the first year, the expected 3.5% increase and a 1% additional adjustment to make up for the additional out of pocket expense for health care. The City, on the other hand, may feel that "to break even", with respect to employees taking family coverage, it should provide a wage increase of less than one percent (1%) since the employees had already received an increase of over two and one half percent (2.5%) by virtue of the Health Care Bonus and the increase in health insurance premiums it has agreed to absorb, calculated as follows:

New family premium	$	1,014.00
Old family premium	$	915.00
Difference	$	99.00
		x 12
	$	1,188.00
Health Care Bonus		400.00

$ 1,588.00 (costs)/$ 60,000 (average salary) = .0264

Both parties, regardless of the outcome would have reason to feel that they are being treated unfairly. Unfortunately, the party responsible for the unfairness, the health care system, is not at the bargaining table.

The final factor to consider is ability to pay. A Fact-Finder can not recommend a compensation package which is perfectly fair if the employer is not capable of paying. There is no evidence or claim, however, that the City could not afford the type of increase that the OPBA seeks. The Fact-Finder, however, is aware that Highland Heights is not Pepper Pike.

The Fact-Finder, in light of the additional costs being absorbed by the bargaining unit in the first year of the agreement, believes that at slightly higher wage increase should be given in the first year, 3.75%. The Fact-Finder recommends increases of 3.5% for the second and third years of the agreement. The bargaining unit should appreciate the fact that the City continues to require no employee premium contribution where such a contribution may have been required under the OPBA proposal had the coverage with no deductibles and co-pays remained in place. The City should appreciate that the persons taking family coverage would be accepting a compensation package which may not meet the rate of inflation. The City should also appreciate that it stands a significant chance of recouping the "excess" wage increase through a potential change in its experience rate and through the ability to better manage health care costs.

ARTICLE XXI, VACATIONS

Positions of the Parties

The OPBA seeks to change the vacation accrual schedule so that employees would earn four (4) weeks of vacation after ten (10) years, rather than after twelve (12)

years and so that employees would earn five (5) weeks of vacation after fifteen (15) years rather than after twenty (20) years. The OPBA also seeks to add one day of vacation for each year of service after twenty (20) to a maximum of a total of six (6) weeks of vacation after twenty-five (25) years. The City proposed no change to the accrual schedule for employees having up to twenty (20) years of service. The City, however, would agree to the OPBA concept that persons would earn an additional eight (8) hours of vacation for each year of service beyond twenty (20) to a maximum of an additional forty (40) hours of vacation. The City, however, proposes limitations on the use of the additional days and provides for a pay-out of days which are requested and denied. The The City proposal with respect to the additional "days" of vacation makes clear that such "days" constitute eight (8) hours of pay. The City also proposes to modify the language of Sections 11.01 and 11.08 to clarify that a "week" of vacation equals forty (40) hours of paid time.

Discussion

There are four (4) aspects of the vacation proposals of the parties to discuss; the proposed change in the length of service required to earn four (4) weeks and five (5) weeks of vacation; the proposed accruing of additional "days" of vacation after twenty-one (21) years of service, the proposed limitation on the use of the additional days of vacation and the clarification of the term "weeks" of vacation to mean "hours" of vacation.

The OPBA, in arguing to change the accrual rate for vacation, presented Union Exhibit 5, a summary of vacation accrual rates for East Side Suburbs. The problem with such comparables is that they are taken out of context. Historically, given groups may

have preferred wage increases over additional leisure time. The fact that the vacation schedule of the higher compensated group may been seen as lagging behind does not reflect the actual economic picture. In addition, in some larger units, vacation time may be a "no cost" item to the employer where the position of the vacationing employee is not covered, while in a smaller unit, the vacation cost may be at time and one half as the position of the vacationing employee may have to be covered at overtime rates. The evidence presented by the OPBA does not warrant a recommendation that the vacation accrual schedule for the earning of four (4) and five (5) weeks of vacation should be changed. It is worth noting, moreover, that, based on the seniority list, the proposal of the OPBA in this regard would not affect anyone in the Sergeant or Dispatch units.

The parties are in basic agreement as to the proposal with respect to the earning of additional "days" of vacation for persons having between twenty-one and twenty-five years of service. The City proposal which more clearly states that each additional "day" is equal to eight (8) hours of pay is recommended.

The City also proposed limitations on the use of the additional "days" and a payout of such days which could not be used. No objection was raised by the NOPBA with respect to the proposed restrictions and pay-out. The language with respect to the restrictions and payout will be recommended. Because the language regarding the paying out of additional days is new and because there is another section of the vacation article which refers to the cashing out of vacation which may create an interpretational issue, the Fact-Finder recommends the language below to clarify that the paying out of vacation which could not be used under Section 11.10 is in addition to the cash out of vacation permitted under Section 11.09.

The final issue to be addressed is the City proposal in Section 11.01 and 11.08 to convert "weeks" of vacation to "hours" of vacation. The rationale given for usage of "hours" in Section 11.10 of the City proposal was to make clear that when an employee earned an additional "day" of vacation, he was earning eight (8) hours of pay, despite the fact that his normal "day" may be twelve (12) hours. That rationale holds for the proposed changes in Section 11.01 and 11.08 and therefore the language proposed by the City with respect to those sections is recommended. There is one caveat to that recommendation. The term "weeks" in vacation language generally refers not only to the amount of **money** earned, but also to the amount of vacation **time** earned. There was no mention made at any point in the Pre-Hearing Statements, the Pre-Hearing Conference or the Hearing-in-Chief to change the definition of "weeks" of vacation **time** for scheduling purposes. Therefore, it is fundamental understanding of the Fact-Finder in making the recommendation that the practice of the parties relative to the scheduling of vacation **time** is unaffected by the change in language from "weeks" of vacation to "hours" of vacation.

The language of Article XI, Sections 11.01, 11.08 and 11.10 of each agreement are recommended to read as follows:

ARTICLE XI
VACATIONS

11.01 Each full-time employee shall earn and be entitled to paid vacation in accordance with the following schedule:

Length of Continuous Service	Hours
After one (1) year	80 hours
After five (5) years	120 hours
After twelve (12) years	160 hours
After twenty (20) years	200 hours

11.08 All newly hired employees are ineligible for vacation during their first year of employment, as determined by their anniversary dates. However, between their first anniversary of employment and the succeeding January 1, they are eligible for 80 hours of vacation. All employees shall be eligible to receive the next higher level of the vacation set forth in this contract on their respective anniversary dates when they have been employed for the required number of years.

11.10 An employee shall be granted one additional eight (8) hour day of vacation for each year of continuous service after twenty (20) years, to a maximum of 240 hours after twenty-five (25) years. As shown in the following schedule:

Twenty-one years	8 hours
Twenty-two years	16 hours
Twenty-three years	24 hours
Twenty-four years	32 hours
Twenty-five years	40 hours

The days granted under this section may only be scheduled after all departmental vacations have been approved and may only be taken when it does not adversely affect the department's operation and minimum shift strength. In the event that the employee is unable to take the vacation hours granted by this section, the City will pay the employee for the hours in January of the following the vacation year, in addition to any hours paid out under Section 11.09 of this Article.

There were no proposals of either party to change the language of Sections 11.02, 11.03, 11.04, 11.05, 11.06 and 11.07. It is the recommendation of the Fact-Finder that those sections shall remain unchanged.

ARTICLE XXVII, OVERTIME AND COURT TIME, Section 17.02

Positions of the Parties

The OPBA proposes to increase reporting pay for employees called in to work outside of normal working hours to three (3) hours for all call-in duties, including call-ins for appearances in the Municipal Court and to four (4) hours for call-ins for appearances

before the Grand Jury or Court of Common Pleas. The City proposes no change in this provision.

Discussion

Reporting pay is a designed as a guarantee of minimum compensation when an employee is called in outside of his normal working hours. There are two (2) elements to this type of provision; compensation for the inconvenience of being called out of normal working hours and compensation for the additional commuting time. Today, in light of the dramatic increase in gasoline prices, an additional element may be the fuel cost of the additional commute.

A common reporting pay provision in private industry provides four (4) hours of call-in-pay. In light of the nature of the most common call-ins and the traveling distances and costs an increase in the call-in/Municipal Court time minimum guarantee from two (2) hours to three (3) hours and in the Common Pleas/Grand Jury minimum guarantee from three (3) hours to four (4) hours is recommended. The language of Article XVII, Overtime and Court Time, Section 17.02 is recommended to read as follows:

ARTICLE XVII
OVERTIME AND COURT TIME

> 17.02 When approved by the Chief or the Executive Officer, employees called into work when the employee is not on duty shall be compensated not less than three (3) hours. For appearance in municipal court, the minimum time paid shall be three (3) hours and not less than four (4) hours for Grand Jury/Court of Common Pleas.

There were no proposals with respect to the language of Sections 17.01 or 17.04. It is the recommendation of the Fact-Finder that those sections shall remain unchanged.

As an aside, it was noted during discussions at hearing that there appeared to be some inconsistency and/or confusion as to the measuring of compensable hours for call-ins. The parties are urged to discuss the matter and come to a mutual understanding and communicate the same to the members of the bargaining units.

ARTICLE XVII, OVERTIME AND COURT TIME, SECTION 17.05 (Travel Time)

Positions of the Parties

The parties generally agree that Travel Time should only be paid for activities which are approved and agree that employees may be required by the Chief to report to the Department before being considered "on duty". The parties each propose that employees are not to be paid in excess of hour actually worked. In other respects of the proposal, the parties differ.

The OPBA proposed language which would require employees to be considered to be on duty and thus compensated whenever they were traveling to an approved assignment which would be further in either time or distance from their home. The City proposed, however, that "travel time" would only be applicable to training activities and limited compensation for travel time to those situations where the employee would be required to travel outside of Cuyahoga County more than sixty (60) miles or sixty (60) minutes from his home.

Discussion

There are several issues raised by the parties which must be discussed with respect to the Travel Time section of Article XVII, Overtime and Court Time; whether travel time should be applicable only to training activities or to all approved

activities; whether the trigger for entitlement to travel time should be the difference between the travel distance and/or time from the employee home to the assignment location as compared to the travel distance and/or time from the employee home to the City or whether the trigger should be the time or distance from the employee home.

The OPBA proposes that travel time be paid for any approved activity, while the City initially proposed that travel time only be applicable to "training". There is no justification to distinguish training activities from any other required assignment. Therefore, it is recommended that travel time be applicable to all approved activities.

The next point of difference between the proposal of the City and the proposal of the City was the definition of the "trigger" for qualifying for travel time. Both parties mixed time and distance measures. For the sake of avoiding administrative nightmares, a single definition must be used. That measure must be "distance" for the purpose of establishing the "trigger". In winter, in Highland Heights, travel outside Cuyahoga County to the East of two miles could well take over sixty (60) minutes.

The next issue with respect to the "trigger" is the beginning point for the distance measure. The City would have the measuring point be the employee's home. The OPBA proposals alternately suggested the employee home or the work location. Union Exhibit 9 was offered as an example of an acceptable alternative. That proposal utilizes a work location beginning point.

Again, for the sake of equity and ease of administration, the work location beginning point makes the most sense. Using the employee home as the beginning point for the trigger would result in some people qualifying for travel time to an activity and others not qualifying for travel time. A second problem may result if the officer drives to

an activity from vacation or is in the process of moving. Using the work location beginning point assures consistency and eliminates all of the possible definitional issues as to "home".

The last matter to be addressed with respect to the travel time section is the sentence proposed by both parties. Both parties propose language which states:

> In no event will an employee be paid in excess of the hours actually worked, including travel time to an approved activity.

It appears that the City proposed this language and that the OPBA incorporated the language into its proposal. The explanation for the provision given by the City at hearing was that the language was proposed to prevent employees from failing to return to duty for the remainder of their shift after an approved activity. Whenever new language is proposed, it must be remembered that language can survive the persons who were present at its drafting. In such cases, the language will be interpreted solely with respect to its plain meaning. There is no definition of "time actually worked". Arguably, that could mean that at a training session which contains break periods, the employee would not be compensated for the break periods. The other problem with the language is that it could create a conflict with the language of Article 17.02.

The Fact-Finder therefore recommends that the final sentence of the parties' proposals be deleted and that specific language be added to address the issue of employees not returning to complete their shifts be added. The language of the travel time provision is therefore recommended to read:

> An employee traveling to approved assignments, including approved training activity outside of Cuyahoga County more than thirty (30) miles from the

Highland Heights Police Station will be paid from the employee's home to the destination and back. The employee may be required, at the discretion of the Chief, to report to the department before traveling to the assigned training and/or after the assigned training. In such case, the employee will be paid only from the time reporting to the Department to his/her return to the Department unless permitted to return to his home, rather than the Department in which case he/she will be paid from the time he/she reports to the Department to the time he/she returns home.

ARTICLE XVIII, EDUCATIONAL AND OTHER PAYS (Dispatch)

The rates set forth in this provision are calculated based on increases of 3.75%, 3.5% and 3.5%. The Employer proposal for the Leads differential is recommended. References to the calculated annual total of bonus where compensation is based on hourly rates have been deleted in this Report and Recommendation. This has been done to avoid issues which have arisen in other collective bargaining settings in calendar years having twenty-seven (27) pay periods. The recommended language is as follows:

ARTICLE XVIII

EDUCATIONAL AND OTHER PAYS

18.01 An Employee who has received a training certificate attesting to the satisfactory completion of all Law Enforcement courses offered towards an Associate Degree in Law Enforcement, shall receive an additional $0.1349 per hour in 2007, $0.1396 per hour in 2008, $0.1482 per hour in 2009, If an employee becomes eligible for additional pay under 18.02 or 18.03 set forth below, he shall not continue to receive this amount.

18.02 Any employee who has received an Associate Degree in Law Enforcement shall receive an additional $0.2697 per hour in 2007, $0.2791 per hour in 2008, $0.2889 per hour in 2009. If an employee becomes eligible for additional pay under 18.03 set forth below, he shall not continue to receive this amount.

18.03 Any employee who has received a Bachelor's Degree in Law Enforcement or related fields approved by the Chief and Mayor, shall receive an additional $0.5395 per hour for 2007, $0.5584 per hour for 2008, and $0.5779 per hour for 2009.

18.04 Employees shall be eligible for the reimbursement of tuition costs resulting from the employee taking courses from an accredited institution of higher learning providing that:

1) they are related to the employee's job;
2) the taking of the course(s) has been approved of in advance by the Chief and the Mayor;
3) the employee obtains a grade of "C" or better; and
4) the grade received and receipt for the tuition are submitted to the Finance Director,
5) the amount of tuition to be paid by the City shall be limited to the amount of the then current per credit hour cost charged by the institution the employee attends not to exceed the rate charged by Cleveland State University.

18.05 Any employee who received Law Enforcement Automated Data Systems (LEADS) certification shall receive additional pay in the amount of Fifty-five cents ($.55) per hour.

It is noted that the City proposal for Article XVIII of the Dispatch contract lacks a Section 18.06. Noting no proposal to delete that provision, the Fact Finder recommends that said provision continue unchanged.

ARTICLE XVIII, EDUCATIONAL AND OTHER PAYS (Patrol and Sergeants)

The rates set forth in this provision are calculated based on increases of 3.75%, 3.5% and 3.5%, except with respect to the Firearms provision which adopts the City proposal.

ARTICLE XVIII
EDUCATIONAL AND OTHER PAYS

18.01 An Employee who has received a training certificate attesting to the satisfactory completion of all Law Enforcement courses offered towards an Associate Degree in Law Enforcement, shall receive an additional $0.1349 per hour in 2007, $0.1396 per hour in 2008, $ 0.1482 per hour in 2009. If an employee becomes eligible for additional pay under 18.02 or 18.03 set forth below, he shall not continue to receive this amount.

An employee who has an Ohio State Firearms Certification shall receive an additional Seventy-nine ($0.79) per hour for the duration of this contract. Additional pay for having a Firearms Certificate can be received along with the additional pay provided for under 18.01, 18.02 or 18.03.

18.02 Any employee who has received an Associate Degree in Law Enforcement, shall receive an additional $0.2697 per hour in 2007, $0.2791 per hour in 2008, $0.2889 per hour in 2009. If an employee becomes eligible for additional pay under 18.03 set forth below, he shall not continue to receive this amount.

18.03 Any employee who has received a Bachelor's Degree in Law Enforcement or related fields approved by the Chief and Mayor, shall receive an additional $0.5395 per hour for 2007, $0.5584 per hour for 2008, and $0.5779 per hour for 2009.

It is noted that the City proposal for Article XVIII of the Patrol and Sergeants contracts lack a Section 18.04. Noting no proposal to delete that provision, the Fact Finder recommends that said provision continue unchanged.

ARTICLE XIX, UNIFORM ALLOWANCE

The rates set forth in this provision are calculated based on increases of 3.75%, 3.5% and 3.5%.

ARTICLE XIX
UNIFORM ALLOWANCE

19.01 All newly hired probationary employees shall receive, at the Employer's expense, one entire complement of new uniforms. All uniforms purchased shall be surrendered to the Employer if the employee fails to complete the probationary period.

19.02 During each year of this agreement, all non-probationary employees shall receive an annual uniform purchase and maintenance allowance in the amount of One Thousand One Hundred and Forty-Four Dollars and Thirty-Six Cents ($1,144.36) for 2007; One Thousand One Hundred and Eight-Four Dollars and Forty-One Cents ($1,184.41) for 2008; and One Thousand Two

Hundred and Twenty-Five Dollars and Eighty-Six Cents ($1,225.86) for 2009. This amount shall be divided and paid by separate check at the time of the first paycheck in January and June of each year.

ARTICLE XXI, RATES OF PAY (Patrol Contract)

The rates set forth in this provision are calculated based on increases of 3.75%, 3.5% and 3.5%.

ARTICLE XXI
RATES OF PAY

21.01 Effective January 1, 2007, all employees shall be paid an hourly wage rate in accordance with the following schedule:

Job Title	Hourly Rate
Police Officer (Prob.)	$22.05
Police Officer C	$25.37
Police Officer B	$26.63
Police Officer A	$30.18

21.02 Effective January 1, 2008, all employees shall be paid an hourly wage rate in accordance with the following schedule:

Job Title	Hourly Rate
Police Officer (Prob.)	$22.81
Police Officer C	$26.26
Police Officer B	$27.56
Police Officer A	$31.24

21.03 Effective January 1, 2009, all employees shall be paid an hourly wage rate in accordance with the following schedule:

Job Title	Hourly Rate
Police Officer (Prob.)	$23.60
Police Officer C	$27.18
Police Officer B	$28.52
Police Officer A	$32.33

ARTICLE XXI, RATES OF PAY (Sergeant Contract)

The rates set forth in this provision are calculated based on increases of 3.75%, 3.5% and 3.5%.

ARTICLE XXI
RATES OF PAY

21.01 Effective January 1, 2007 all employees shall be paid an hourly wage rate in accordance with the following schedule:

Job Title	Hourly Rate
Sergeant	$33.85

21.02 Effective January 1, 2008, all employees shall be paid an hourly wage rate in accordance with the following schedule:

Job Title	Hourly Rate
Sergeant	$35.03

21.03 Effective January 1, 2009, all employees shall be paid an hourly wage rate in accordance with the following schedule:

Job Title	Hourly Rate
Sergeant	$36.26

ARTICLE XXII, LONGEVITY

Positions of the Parties

The OPBA had proposed increases in longevity pay of $ .02 per hour each contract year for employees after five (5) years, $ 03, per hour each contract year for employees after ten (10) years, $ .04 per hour each contract year for employees after fifteen (15) years and $ 05 per hour each contract year for employees after twenty (20) years. The City, in its package proposal, had agreed with respect to the rates for employees after five (5) years and after ten (10) years and with respect to the first and

second contract years for employees after fifteen (15) years. The proposals of the parties varied by one cent ($ .01) for employees after fifteen (15) years in the third contract year and for employees after twenty (20) years in the first and second contract years. The proposals of the parties varied by two cents ($ .02) for employees after twenty (20) years in the third contract year. After the City modified the health care proposal, the City modified its offer to provide for increases in longevity of 3.25% for each longevity level in each contract year.

Discussion

In light of the major changes made by the City with respect to the Health Care Proposal, it is appropriate that the City proposal with respect to longevity be recommended to some extent, except that the increments to be applied should be the same as the increments found appropriate to the general wage increase.

The rates set forth in this provision are calculated based on increases of 3.75%, 3.5% and 3.5%. References to the calculated annual total where compensation is based on hourly rates have been deleted in this Report and Recommendation to avoid issues which have arisen in other collective bargaining settings in calendar years having twenty-seven (27) pay periods. The recommended language is as follows:

ARTICLE XXII
LONGEVITY

22.01 All employees shall receive longevity payments for continuous full-time employment in accordance with the following schedule:

	2007	2008	2009
After 5 years	.05395	.5584	.5779
After 10 years	.7573	.7838	.8112
After 15 years	1.0168	1.0524	1.0892
After 20 years	1.2243	1.2672	1.3116

ARTICLE XXXVI, DURATION

Discussion

This article appears to be in the unresolved category solely due to the lack of a tentative agreement as to the totality of the language of the contracts. The OPBA proposes language which would make the collective bargaining agreement effective January 1, 2007. The City proposes to adopt the prior language except for changing the years stated. The problem with the City proposal is that it would have the contract effective on the date of execution "for" the calendar years 2007, 2008 and 2009. Obviously, the collective bargaining agreements will not be signed until 2007. The language of the prior agreements created no effective date issues since each of the prior collective bargaining agreement for each of the units was signed on December 17, 2003, prior to its effective date. To avoid any issues as to the proper effective date, the language proposed by the OPBA is recommended, the language to read as follows:

ARTICLE XXXVI
DURATION

36.01 This Agreement shall become effective January 1, 2007 at 12:01 A.M. and shall continue in full force and effect, along with any amendments made and annexed hereto, until Midnight, December 31, 2009

Respectfully submitted,

GREGORY J. LAVELLE, ESQ.
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SERVICE

A copy of the within Recommendation of the Fact-Finder was sent to the City of Highland Heights, c/o Mary Jo Paulett-Toumert, Esq., McSherry, Patton & Toumert, 178 E. Washington Street, Chagrin Falls, Ohio 44022 and to the Ohio Patrolmen's Benevolent Association, c/o Mark Volcheck, 10147 Royalton Road, Suite J, P.O. Box 33803, North Royalton, Ohio 44133 by overnight express mail this 7th day of March, 2007.

GREGORY J. LAVELLE

Social Security Online
Office of the Chief Actuary

Automatic Increases

Latest Cost-of-Living Adjustment

Updated October 18, 2006

Introduction

Legislation enacted in 1973 provides for automatic cost-of-living adjustments, or COLAs. The COLAs prevent inflation from eroding Social Security and Supplemental Security Income (SSI) benefits.

Latest COLA

The latest COLA is 3.3 percent for Social Security benefits and SSI payments. Social Security benefits will increase by 3.3 percent beginning with the December 2006 benefits, which are payable in January 2007. Federal SSI payment levels will also increase by 3.3 percent effective for payments made for January 2007. Because the normal SSI payment date is the first of the month and January 1 is a holiday, the SSI payments for January are always made at the end of the previous December.

How the COLA is calculated

The Social Security Act specifies a formula for determining the COLA. In general, the COLA is equal to the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of one year to the third quarter of the next.

Computation of 3.3-percent COLA

For the December 2006 COLA, we measure the increase in the average CPI-W from the third calendar quarter of 2005 to the third quarter of 2006. These averages are 192.7 and 199.1 for the third calendar quarters of 2005 and 2006, respectively, and are derived from monthly CPI-Ws developed by the Bureau of Labor Statistics.

	CPI-W for—	
Month	**2005**	**2006**
July	191.0	199.2
August	192.1	199.6
September	195.0	198.4
Total	578.1	597.2
Average (rounded to the nearest 0.1)	192.7	199.1

The percentage increase in the CPI-W from the third

quarter of 2005 through the third quarter of 2006 is 3.3 percent. The calculation of this percentage increase is as follows (rounded to the nearest one-tenth of one percent):

(199.1 - 192.7) / 192.7 x 100 = 3.3 percent.

Possible limitation on the COLA

Legislation enacted in 1983 may limit the COLA if the combined assets of the Social Security trust funds are below 20 percent of annual expenditures. (This limitation only applies to Social Security; SSI would be unaffected.) Such limitation has not occurred in the past, nor does it affect the current COLA determination. The combined trust fund assets at the beginning of 2006 are estimated to be 331.9 percent of 2006 expenditures.