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IN THE MATTER OF FACT FINDING

BETWEEN

THE FRANKLIN COUNTY SHERIFF

AND

FRATERNAL ORDER OF POLICE, OLC, INC.

SERB CASE # 09-MED-09-0929

Robert G. Stein, Fact finder

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INTRODUCTION

The parties in this matter are the Franklin County Sheriff (hereinafter “Sheriff”, “Employer” or “County”) and the Fraternal Order of Police, OLC, Inc. (hereinafter referred to as “FOP” or “Union”). The bargaining unit is represented by the Fraternal Order of Police OLC, Inc. (hereinafter “Union” or “bargaining unit”) and consists of approximately twenty-nine (29) full-time Patrol Communication Technicians. These employees serve the vital function of answering calls for assistance from the public in both emergency and non-emergency matters and are responsible for dispatching law enforcement personnel to the scene. As part of their functions they are also responsible for keeping track of all road units within their jurisdiction.

Franklin County is in central Ohio and it is the home of Ohio’s largest city, Columbus, Ohio. Bargaining between the parties began August 26, 2010 and the parties met a total of five times, including two sessions in mediation. The parties were successful in reaching tentative agreement on some thirty-one (31) articles, with three (3) being carried forward to the instant fact finding process. The three issues are: Wages, Health Insurance, and Duration (while the parties have not tentatively agreed they indicated at the hearing that they both favor a three year Agreement). The contract expired on January 3, 2010. A fact finding hearing was held on January 25, 2011 in Columbus, Ohio, during which the parties were offered a full and complete opportunity to present evidence and testimony in support of their positions. Pre-hearing submissions were received in accordance with SERB rules and regulations, and the parties indicated a desire to move directly to fact finding and to not participate in mediation initially offered by the fact finder.

General/Local Economic Outlook

The economy in Ohio is still experiencing the effects of a national recession and a very slow recovery. While officially considered to have reached an end, the impact of the recession upon Ohio's revenue stream is plain and is translating into cuts in services and personnel. In Ohio, unlike many other states, there has historically been a substantial lag time between a declared end to a recession and recovery from it. Yet, the current decline in revenue, caused by what many call the "Great Recession" is far deeper and broader than those of the past, and it is severely testing even the most resilient of Ohio's public employers and employees alike. Many states in the United States are attempting to cope with declining revenues and increasing costs. Counties in Ohio that were already weakened by the loss of industry and commerce in preceding years were particularly vulnerable as the events of the recession took hold. At this point in time it is difficult to know how and when Ohio's economic recovery will take place. Every month on a national and state level there are mixed signals being provided by various sectors of the economy and by the public. The national unemployment rate recently fell to 8.9%, and while Ohio's unemployment rate as reported in January exceeded that figure, Franklin County's unemployment rate has been among the lowest among Ohio's eighty-eight (88) counties. The recent net gain in jobs both nationally and in Ohio, while encouraging, is still undermined by severe structural unemployment. Conventional wisdom indicates that the economy will improve slowly, but will experience uneven progress and even occasional setbacks, as has been the case in the past few months. One of the more certain and troubling aspects of the current economic times are losses of high paying skilled jobs in Ohio, jobs that are now being performed outside of the United States. They number in the tens of thousands and clearly underscore the existing structural problems of unemployment in areas such as manufacturing and construction. Most

troubling is the fact that the loss of these high paying manufacturing jobs are permanent, with many transferred outside of the United States. This pattern will require a recovery in Ohio to take a very different course than it has in the past. All the news is not negative; there are indicators of economic revival and some employers are doing well in this recession and its aftermath. The GM Lordstown Plant is one example of recovery and there are others around the state. The stimulus funds, while welcomed by many to sustain public services were a temporary fix that buys public employers a little time. Looming on the horizon and what will most likely become a hotly debated matter for our new Governor is a projected deficit that has been estimated to be between four (4) and eight (8) billion dollars. The Governor's budget is due to be issued by March 15, 2011 and it promises to include substantial cuts in revenue to local governmental jurisdictions in Ohio. All public employers and employees in Ohio, regardless of jurisdiction, have reason to be concerned about the next biennium budget. Projections of a 10% to 20% cut in Local Government Funds to municipalities and counties were made as early as June of 2010, and while speculative, conventional wisdom appears to indicate that cuts and not tax increases are more likely in the next biennium. (Center for Community Solutions "Thinking the Unthinkable-Finding Common Ground for Resolving Ohio's Fiscal Crisis") Prudence would dictate that this potentiality needs to be factored into any projected budget of a local governmental employer. The Employer indicates that the Sheriff is being asked to cut his budget by some 4.2%. To their credit public employee unions and employees in Ohio have, in the main, recognized and responded to their employers who continue to experience a shortfall in revenue while anticipating cuts in state aid. State employees and many county, city, and township public employees in and outside of Ohio continue to make unprecedented financial sacrifices in the form of layoffs, wage freezes, benefit givebacks, furlough days and in paying

more for their medical coverage. At the time of this report, collective bargaining in Ohio is on the precipice of dramatic change that has yet to become law, and to be fully understood.

The facts indicate that the Sheriff's operating funds are provided by the Franklin County General Fund ("Fund"), which is managed by the Franklin County Board of Commissioners. The Sheriff's share of the budget, which is not uncommon in many counties, is the largest single expenditure of the Fund (the next highest expenditure in the Fund is \$27.3 million) and for the 2011 the Sheriff's approved budget was approximately \$85 million dollars, 2.7 million dollars less than in 2010. The 4.2% cut previously mentioned is to come out of 2011 allocation of \$85 million dollars mentioned above. Franklin County is attempting to slow the growth of wages to address the need for fiscal sustainability. The Employer insists that a responsible cash balance directly impacts the County's bond rating, which permits the County to obtain more favorable interest rates on debt service for capital improvements. Most telling in terms of revenue for the County is the amount of funding funneled through the State. The County's allocation of funds from the State in 2010 was \$4 million dollars less than what the County received in 2007. The Union created its own record that emphasized the fact that its members in the bargaining unit do not have step increases, as does the internal comparable of the Deputies' bargaining unit. The Union strongly argued that because of substandard wages and no step advancement the Employer experiences high turnover and high training costs. In general it is also recognized that employees are experiencing their own financial difficulties in terms of surviving an uncertain economy marked by high unemployment, record housing foreclosures, declining property values, and rapidly rising gasoline prices.

Issues: Issue 1, Article 18 Wages: The Union and the Employer agreed to not raise wages for 2010. The difference in the parties' positions is in the second and third year of the

Agreement. The Employer is proposing that a salary schedule be maintained that does not include steps, but does propose to increase wages by 1.5% increase in the second and third year of the contract. The Employer points out that the revenue of the County was down approximately 110 million dollars from 2010 to 2011. The Union, agreeing to no increase in 2010, is seeking to establish a salary system that includes annual salary step increases. The Union proposal on wages is comprehensive. It is proposing to lower the starting pay in a new pay range to \$16.54 per hour from the current \$17.96 per hour, introducing a five step salary schedule with step movement based upon longevity, and the elimination of the current lump sum payment of \$500 at four years of service. The Union is also proposing a 3% across-the-board increase for 2012. The Union concludes that during the life of the Agreement, four to five senior people would be positively impacted by its comprehensive wage restructuring proposal, but most of the unit would receive much less of an increase, or in the case of approximately 30% of the unit, no wage increase at all. The Employer argues that the restructuring of the wage schedule to include steps is not only contrary to the wage philosophy of the County Commissioners, it will also provide employees at the top step with an 11.5% increase in 2011 and would represent a 14.5% increase to senior employees over the remaining two years of the Agreement. The fact finder in this matter was fortunate to be the fact finder for the current agreement. In those prior negotiations the issue of step increases was also raised as a matter of internal equity, and more importantly as a method to make salaries more competitive. Since the fact finding hearing on January 25, 2011, much has happened in the arena of public sector collective bargaining. Senate Bill 5, which passed the Senate just last week eliminates traditional step salary increases based upon years of service and instead bases salary schedule advancement on merit. Presumably, the only other bargaining unit to have steps, the Deputies' unit, will eventually be under the same

merit based step requirement providing the final version of the new collective bargaining law still allows for steps. At this point in time all of this is speculation and events regarding these proposed legislative changes are unfolding rapidly. It is unclear just what changes will eventually be made and whether they will be challenged electorally and of course legally. Arguably, the current lump sum payments that are included in lieu of steps on the salary schedule are not step increases, but are more closely akin to longevity increases. Given the current uncertainty fostered by Senate Bill 5 and the likelihood of its passage that places an emphasis on merit and not time in grade for step increases, it is not prudent to proceed with a salary structure change of this kind at this time. Eventually, a minimum and a maximum salary may be established with merit increases. The criteria for merit should first be studied and bargained by the parties in negotiations prior to the intervention of an outside third party. However, the Union raises a strong argument regarding internal comparable wage increases of 2% for a unit of clerical employees and professional employees, both of which received 2% increases for 2011. Within this same article, the FOP is also seeking to modify the training provision to increase the amount of compensatory time received for training. Currently members serving in a FTO training capacity receive 1 hour of compensatory time for each eight (8) hour shift of FTO work. The Union is not proposing an increase in compensatory time, but is asking that the awarding of compensatory time be based upon four (4) hour blocks of training, in which a half (1/2) hour of compensatory time would be provided to an FTO for every four (4) hours of training. The FOP argues that this frequently happens when an employee is called into work early or is held over past the regular shift to serve in capacity of an FTO. The Union contends that because a continuous eight (8) hours is involved, a member may train for several hours, but less than eight hours in a shift and would not receive any compensatory time. The Employer is

proposing current language arguing a change is not needed. The testimony of FOP witness, Renee Lohmeir, underscored the Union's arguments for a change in the way this benefit is provided, and the need to create a more equitable method to recognize employees who spend hours training other employees. **Issue 2, Article 27 Insurance:** The single issue in this area is the amount of employee premiums for health insurance for 2011 and 2012. The 2010 premiums remained the same as they were in 2009. In the FOP's Pre-hearing statement and during the fact finding hearing, the Union accepts the Employer's proposal for 2011 employee premiums. That proposal, which is effective on January 1, 2011, can be found in the parties' pre-hearing statements and caps contributions at \$60 per month for the employee and children and \$160 per month for spousal coverage. The remaining difference between the parties is the employee premium for 2012. The Employer is proposing raising the premium for employee and children to \$105 per month and to \$225 for spousal coverage. The Union is proposing a 2012 increase that mirrors the increase from 2010 to 2011. It proposes to raise the employee and children premium to \$65 (or a \$5 increase) and \$185 for spousal coverage (or a \$25 increase). It argues that contracts with two other bargaining units are expiring and the Employer is using the Technician's unit as a "guinea pig" to set the pattern for health care premiums. The testimony of Benefits Administrator, Scott Solsman, was particularly persuasive. The County has done a remarkable job of keeping premiums in check and premium increases below the national average. The two tiered approach, which the Employer argues came about through the joint labor/management benefits committee, encouraged spouses to seek benefits through their own employers (if available). Mr. Solsman outlined the current and projected increases in health care costs based upon experience and future mandates of coverage. The facts also revealed the high quality of the current plan, which includes 100% coverage in network, with no health care co-

insurance, and low generic drug co-pays. The County plan also includes life insurance, vision insurance and dental insurance. It is also noted that the composite rate for this quality plan moved from \$12,912 in 2010 to \$13,944 in 2011, and for 2012 is projected to be \$15,443. This is a significant increase and represents the reality of maintaining a true comprehensive quality health care plan. The Employer from 2010 to 2011 and to 2012 raised or is proposing to raise employee and children premiums by 9% from 2010 to 2011 and by 75% from 2011 to 2012. For employee and spouse the premium increases for the same years are increased from 2010 to 2011 by 18.5% and by 40% from 2011 to 2012. At the same time the composite rate for the same years increased by approximately 8% from 2010 to 2011 and 10.75% from 2011 to 2012 (34% greater than the increase from 2010 to 2011). The increases for 2012 proposed by the Union are not reflective of the Employer's increased composite costs from 2011 to 2012. Moreover, it is clear that the bargaining unit was able to avoid having to pay the 2010 rate increases as negotiations became extended. The Employer's proposal, while slightly more than the percentage change in composite cost increases from 2011 to 2012 verses 2010 to 2011 is more closely aligned to the composite premiums increases. Quality health care coverage is extremely important to most employees and while the Employer's proposed premium increase for 2012, particularly for employee/children, is dramatic in terms of its percentage increase, a plan that features 100% in network coverage with no co-insurance and low generic drug costs requires a substantial financial commitment by employer and employees alike. **Issue 3, Article 34**

Duration: The parties are in agreement as to a three year contract. The Union, at the hearing, indicated a preference for an ending date of December 31, 2012, even though its Pre-hearing statement reflected an ending date of January 3, 2013, as is proposed by the Sheriff.

Based upon the above the following determinations are made:

Issue 1 Article 18 WAGES:

DETERMINATION:

Article 18 Wages

Sections 18.2, 18.3 and 18.4 shall remain as current language

Section 18.1:

Wages for 2010 shall not be subject to a wage increase. Retroactive to the first full pay period in January 2011 each bargaining unit member shall receive a 2% wage increase. Effective the first full pay period in January 2012 the bargaining unit members shall receive a 1.5% increase.*

**The bargaining unit raise for 2012 shall be 1.5% or equal to the across-the-board raise provided to the Deputy unit for 2012, whichever is greater.*

Section 18.5:

For each **four (4) hours of accumulated training time** that a communications technician is **assigned by the Employer to train** a new employee **and performs said training**, the communications technician shall receive one half (1/2) hour of compensatory time.

Issue 2 Article 27 INSURANCE

DETERMINATION:

ARTICLE 27 HEALTH INSURANCE/INSURANCE BENEFITS

The Union agrees to accept the County's medical benefits plan provided to other County employees under direct auspices of the Franklin County Board of Commissioners during the term of this Agreement in a manner consistent with the other provisions of this Article. Any changes implemented in the overall County plan will be also applied to bargaining unit employees eligible for health insurance benefits. **Any changes in the overall County plan design will be discussed prior to implementation with the Joint Benefits Committee and the Fraternal Order of Police/Ohio Labor Council.**

Effective January 1, **2010**, employees will pay **\$55** a month towards the health insurance premium to cover themselves and any child(ren) they may have. Effective January 1, **2010**, employees who choose to cover their spouse will pay **\$135** a month towards the health insurance premium. This **\$135** is not in addition to the **\$55**, that is to say, in the event that an employee

chooses to cover him/herself, any children and his/her spouse, he/she will pay **\$135** to cover all of them.

Effective January 1, **2011**, employees will pay the same amount toward the health insurance premiums as other employees under the direct auspices of the Franklin County Board of Commissioners in **2011** but not to exceed **\$60** per month for employees to cover themselves and any child(ren) they may have and **\$160** per month for employees who choose to cover their spouse.

Effective January 1, **2012**, employees will pay the same amount toward the health insurance premiums as other employees under the direct auspices of the Franklin County Board of Commissioners in **2012** but not to exceed **\$105** per month for employees to cover themselves and any child(ren) they may have and **\$225** per month for employees who choose to cover their spouse.

The Sheriff shall provide, through the County Commissioners, and pay the premiums for individual life insurance coverage with a death benefit at the current level. The plan will only be modified if the County's life insurance is modified, and the Union will be given prior notice of the change and upon request by the Union a county representative will meet with the Union and explain the changes in the plan.

All employees who work less than thirty (30) hours per week on a regular basis will not be eligible for County medical or life insurance benefits.

All employee contributions paid by the employee will be paid for under IRS Chapter 125 on a pre-tax basis in accordance with the rules set forth by the IRS.

Issue 3 Article 34 DURATION

DETERMINATION:

ARTICLE 34 DURATION

This Agreement shall be effective, from January 4, **2010** and ending at the conclusion of the pay period that includes January 1, **2013**. If either party desires to modify or amend this Agreement, that party shall give written notice of such intent no earlier than one-hundred twenty (120) calendar days prior to nor later than ninety (90) prior to the expiration of this Agreement. Such notice shall be by certified mail with return receipt of the notice of intent unless extended by mutual agreement.

TENTATIVE AGREEMENT

During negotiations, the parties reached tentative agreements on several issues. These tentative agreements and any unchanged current language are part of the determinations contained in this report.

The fact finder respectfully submits the above recommendations to the parties this _____ day of March 2011 in Portage County, Ohio.

Robert G. Stein, Fact finder