

STATE EMPLOYMENT
RELATIONS BOARD

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD 2012 MAR 13 P 12: 16

March 10, 2012

FRATERNAL ORDER OF POLICE
ZANE LODGE #5

CASE # 11-MED-07-1000

and

FACT FINDING REPORT

CITY OF ZANESVILLE

APPEARANCES

For the Union

Mark Drum,	Attorney
Mike Brow,	Chair Bargaining Committee
John Hill,	Bargaining Committee Member
Brent McCutchen,	Bargaining Committee Member
Mike Patrick,	Bargaining Committee Member
Scott Blanton,	Bargaining Committee Member

For the City

Jonathan J. Downes,	Attorney
Todd M. Ellsworth,	Attorney
Scott Hillis,	Law Director
Eric Lambes,	Chief of Police
Rhonda Heskett,	Budget and Finance
Fred Buck,	Public Safety Director
Brian Fargus,	Vice President Sales & Marketing, Med Ben
Pam Davis,	Med Ben

ROBERT M. LUSTIG
Fact Finder
615 Leader Building
526 Superior Avenue, E.
Cleveland, Ohio 44114-1964

Introduction

This fact finding involves the full-time patrol officers ("Police") of the City of Zanesville represented by the Fraternal Order of Police, Ohio Labor Council ("FOP") and the City of Zanesville (the "City"). The Agreement between FOP and the City expired December 31, 2011.

The undersigned was duly appointed Fact Finder. The fact finding hearing was set, by agreement of the parties, for February 21, 2012. Mediation resolved some issues. The remaining issues were heard. The hearing commenced at 10:30 AM and was closed at 5:15 PM.

Both sides presented such evidence as they desired. All documents were received without objection from the other party. This includes the position statements, the Union's Exhibit binder and the City's two binders.

In reaching the recommendations made in this report, the Fact Finder considered the criteria set forth in Ohio Administrative Code Rule 4117-9-05 which are:

- 1) Past collectively bargained agreements, if any.
- 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 factors peculiar to the area and classification involved.
- 3) The interest and welfare of the public, and the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standards of public service.
- 4) The lawful authority of the public employer.
- 5) Any 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 private employment.

Facts

The parties most recent agreement covering the period 1/1/09 through 12/31/11 has expired. Wages have been paid to date in accord with the wages and hours under the expired agreement.

As to economic issues, the City asserts that its positions are based on sound, conservative financial management of the City's finances, recognizing both current economic conditions and the City's shrinking tax base due to the loss of several major businesses.

It was agreed that we are dealing with a new three (3) year contract for the calendar years 2012, 2013, and 2014.

The City has 38 full-time patrol officers in the bargaining unit. There are approximately 50 additional people who are in the police department, all but four of whom are represented by either the FOP or by AFSCME. The City has a population of approximately 25,000, and contains about 11.5 square miles. It is noted that the Firefighters have agreed to a new contract for the 2012-2014 period.

With that background, we turn to the issues that were presented at the fact finding hearing, bearing in mind that the burden of proof is on the party advocating a change.

Issue No. 1

Wages, Longevity and Pension Pick Up

Union Position

The Union proposes a 3% increase in each of the next three (3) years, maintain the current steps for longevity, maintain the current pension pick up and increase the compensatory time off for those on call from two (2) to three (3) hours.

City Position

The City proposes -0- raises in wages for 2012 and 2013 and 1% for 2014, freezing the steps in 2012, reducing longevity increases for each step for 2012 and 2013 and returning to the current step increases in 2014, reducing the 8.5% pension pick up by 5.75% in 2012 and 3% in 2013 and adjusting wages by 2% in each of 2012, 2013 and 2014 to offset the reduction.

Recommendation

Based on the evidence presented and the discussions of the parties:

- 1) Wages: 0% for 2012
 1% for 2013
 1% for 2014

- 2) Longevity: 1-2-3-4% for each of 2012 and 2013
 2-3-4-5% for 2014.

- 3) On Call Pay: No changes.

- 4) Pension Pick Up: Reduce the current pick up 5.67% in 2012 and 2.84%
 in 2013.

 Adjust wages 2.28% in each of 2012, 2013 & 2014.

 Both reduction and adjustment to be effective 03/23/12.

Contract Language

See attached.

Issue No. 2

Health Insurance

City Position

The City proposes that spouses be required to obtain coverage through the spouses employer and that the City's health plan be secondary coverage for the spouse; that the employee's share of the health care premium be increased from 5% to 7.5% in 2012 with additional increases in 2013 and

2014 to be a maximum of 10% of premium over the three (3) years and various other increases deductibles and co-pays.

Union Position

No changes to current plan.

Recommendation

Based on the testimony of Mr. Fargus of MedBen, the City's third party administrator of its self insured health plan, trends in allocation of healthcare costs in private business as well as in government and comparability within the City's various departments the recommendation is:

1) Spouses who are eligible for coverage for healthcare from their employers obtain coverage under that employer's plan. The City's plan shall provide secondary coverage. The City shall reimburse employees up to \$1,200.00 for the spouses out of pocket costs.

2) Employees share of the City's healthcare cost shall be increased to a maximum of 7.5% for 2012 and 2013 and to a maximum of 10% for 2014.

3) Out of pocket maximums for a family to be \$4,000.00

4) Co-pays for Tier 3 drugs capped at \$100 per prescription.

Contract Language

See attached.

Stipulation

This new contract shall be for a three (3) year term commencing January 1, 2012 through December 31, 2014.

The Tentative Agreements previously reached between the parties through negotiation and prior Mediation shall likewise be incorporated into the final agreement.

Robert M. Lustig

Robert M. Lustig
Fact Finder
Cleveland, Ohio
March 10, 2012

CERTIFICATE OF SERVICE

A copy of the foregoing document was sent, by agreement of the parties, by email and by regular U.S. Mail, postage prepaid, March 10, 2012 to:

Mr. Jonathan J. Downes
Mr. Todd M. Ellsworth
Downes Fishel Hoss Kim LLP
400 South Fifth Street #200
Columbus, Ohio 43215

Via Email: jdownes@downesfishel.com
Tellsworth@downesfishel.com

Mr. Mark Drum
FOP
222 East Town Street
Columbus, Ohio 43215

Via Email: mdrum@fopohio.org

and by U.S. mail only to:

SERB
65 East State Street, 12th Floor
Columbus, Ohio 43215-4213

Attn: Donald M. Collins
General Counsel and
Assistant Executive Director

ARTICLE 7
WAGES

SECTION 7.1 - SALARIES, WAGES, AND SALARY RANGES

- (A) ~~Effective the first day of the first full pay period in January 2009,~~ The salaries, wages, and salary ranges for the position classification of Police Officer shall be in accordance with those set forth in Appendix I. **Wages for 2012 shall be effective March 23, 2012. Wages for 2013-2014, shall be effective the first day of the first full pay period of January.**
- (B) ~~Effective the first day of the first full pay period in January 2010, the salaries, wages, and salary ranges for the position classification of Police Officer shall be in accordance with those set forth in Appendix II.~~
- (C) ~~Effective the first full day of the first full pay period in January 2011, the salaries, wages, and salary ranges for the position classification of Police Officer shall be in accordance with those set forth in Appendix III.~~

SECTION 7.2 - AUTOMATIC PAY INCREMENTS

- (A) **Wage step increments for 2012 shall be effective March 23, 2012 for those employees eligible for a step increment on January 1, 2012. Wage step increments in 2013-2014 shall be in accordance with the following schedule for employees occupying the position classification of Police Officer:**

<u>PAY RANGE STEP</u>	<u>LENGTH OF SERVICE</u>
B	Start of Employment
C	first January in service
D	second January in service
E	third January in service
F	fourth January in service

- (B) **Pay increases in 2012 shall be effective on March 23, 2012. Pay increases in 2013 and 2014 shall be effective on the first day of the first full pay period in January.**
- (C) Length of service as used in this Article shall mean length of service as a Police Officer.
- (D) Employees hired in January will be assigned to Step B. The following January will be considered their first January of service for purposes of determining length of service in Part A of this section.

SECTION 7.3 - LONGEVITY PAY

(A) The City of Zanesville will grant longevity pay each year to permanent full-time employees occupying the position classification of Police Officer in accordance with the following schedule:

In the years 2012 and 2013:

<u>YEARS OF SERVICE AS OF SEPTEMBER 30</u>	<u>LONGEVITY PAY</u>
5	1% of Previous Annual Payroll Earnings
9	2% of Previous Annual Payroll Earnings
13	3% of Previous Annual Payroll Earnings
16	4% of Previous Annual Payroll Earnings

In the year 2014:

<u>YEARS OF SERVICE AS OF SEPTEMBER 30</u>	<u>LONGEVITY PAY</u>
5	2% of Previous Annual Payroll Earnings
9	3% of Previous Annual Payroll Earnings
13	4% of Previous Annual Payroll Earnings
16	5% of Previous Annual Payroll Earnings

(B) Payment is to be calculated on the previous annual payroll earnings.

(C) September 30 of each year in which the payment is to be made shall be used in calculating years of service for longevity pay.

(D) Payment shall be made in a lump sum during October of each year and shall be separate from the employee's regular paycheck. Longevity pay shall be taxed as if earned over the entire payroll year (26 pay periods).

(E) Employees who are on the payroll as of June 30 will be entitled to a prorated share of their longevity pay even though they may terminate prior to October 1. This shall apply to termination under honorable circumstances. Upon termination under honorable circumstance, Police Officers who are eligible for longevity pay will be paid, as part of their terminal pay, the final partial year's longevity pay on a prorated basis. The prorated pay shall be based on the number of completed pay periods in the final year of service divided by twenty-six (26) and multiplied by the longevity pay due for the entire year.

Article 7 Section 7.3 (E) Tentatively Agreed: 2-13-12

SECTION 7.4 - CALL-IN PAY/COURT PAY

- A. Call-in pay shall be provided when an employee is required to report for work or to report for scheduled or ordered court appearances at times other than his regular shift or hours of work regardless of whether or not work is available or the court case is actually conducted.
- B. An employee called in under Section A shall receive three (3) hours pay at his base rate (straight time) or pay for time actually worked at the applicable rate whichever is greater.
- C. Call-in pay shall not be provided for: (1) work extending beyond the end of an employee's scheduled shift; (2) work before and continuing into his scheduled shift; ~~(3) scheduled training period;~~ (4) ~~scheduled departmental meetings;~~ (35) situations in which employees are summoned back to work to correct errors or incomplete task during his assigned duty hours.
- D. Employees who fall under Section C only shall be paid at the applicable hourly rate.
- E. "Scheduled" as listed in Section C only shall mean a minimum of 48 hours notice.
- F. An employee may, at his option, receive compensatory time off in lieu of pay for call-in or court appearances.
- G. Call-in time for which payment is rendered shall not be used for computing the forty (40) hour work week for premium pay. Any time actually worked under each call-in that exceeds 2 hours shall be used in computing the forty (40) hour week for premium pay. Hours worked as defined in Section 2.3(B) shall be used to compute the forty (40) hours work week for premium pay.

Article 7, Section 7.4 Tentatively Agreed: 2-21-12

SECTION 7.5 - PENSION PICK UP

The City shall ~~continue to pay and assume~~ ("pick-up") that portion of the employees' contribution to the ~~Ohio pPolice and fFiremen's disability and Pension Fund~~ equal to ~~8.5-5.75%~~ **5.67%** of the employees' earnings in 2012 and ~~3%~~ **2.84%** of the employee's earnings in 2013. ~~The reduction of the pension pick-up will begin in 2012 with the pay period commencing March 23, 2012 and in 2013 the first full pay period in January. Beginning the first full pay period in 2014 the City shall no longer assume or pick up any of the employee's share of pension contribution. Should the employer be prohibited by law from making the employees' contribution, tThe Employer shall adjust the salary of the members by an equal percentage shall provide employees a supplemental payment of: 2.0% 2.28% in 2012; 2% 2.28% in 2013; and 2% 2.28% in 2014.~~

The Employer shall adjust the wages of the employees by providing the employees a supplemental increase of 2.28% in 2012, 2.28% in 2013, and 2.28% in 2014, in exchange for the pension pick up reductions of 2.83% in 2012, 2.83% in 2013, and 2.84% in 2014.

SECTION 7.6 - ON-CALL PAY

Employees in the bargaining unit assigned to an on-call status will receive double-time for hours worked when called in outside their regular scheduled hours. (Example: Assigned to on-call status during their days off.) If the employee on "on-call" status and is not called within the pay period (fourteen calendar days), the employee shall receive 2 hours of compensatory time for each pay period in which the employee was on "on-call" status.

Article 7, Section 7.6 Tentatively Agreed: 2-21-12

ARTICLE 9
INSURANCE SCHEDULE

SECTION 9.1 - INSURANCE

- (A) ~~During the term of this contract, T~~the City of Zanesville shall continue its premium payment for the existing provide a health, dental and vision insurance plan for the employee and qualified dependents. ~~, except employees choosing single coverage shall pay by payroll deduction \$10.00 per pay period in 2009, \$13.00 in 2010 and \$16.00 in 2011. Bargaining unit employees choosing family coverage shall pay by payroll deduction \$25.00 per pay period in 2009, \$30.00 in 2010, and \$35.00 in 2011.~~
- (B) Effective January 1, 2013, if the spouse of a City employee is employed and is eligible for employer-sponsored health coverage with said employer, he or she must enroll in that particular health plan. If the spouse cannot obtain coverage through his or her employer until a certain date or open enrollment period, the spouse will be covered under the City's plan until he or she can obtain coverage through his or her employer. The spouse must provide documentation to the City that he or she is not eligible for coverage. Employees whose spouse has health insurance coverage through an employer are eligible for up to a \$1,200 reimbursement or an amount in reduced insurance premium payroll deduction up to the \$1,200 reimbursement to offset the cost increase to the employee. If an employee's spouse would be required to pay more than 50% of the insurance premium through their employer, he or she would be allowed to remain on the City's plan. Spouses may also remain on the City's plan under secondary coverage.

SECTION 9.2 - CONTENT OF INSURANCE PLAN

- (A) The City of Zanesville may periodically change the content of the insurance plan after consultation with representatives of the affected bargaining units. ~~A \$350.00 deductible for family coverage and a \$150.00 deductible for single coverage shall be in effect. Copay under the prescription drug plan shall be \$10.00. The plan will not pay for a brand drug unless no generic is available or the prescribing physician specifies "no generic." Effective January 1, 2010, the retail copay, for a 30-day supply, shall be \$7.00 for generic drugs, \$15.00 for brand name drugs which have no generic equivalent, and \$25.00 for brand name drugs which have a generic equivalent for covered prescriptions. For the City's mail or on-line prescription drug plan, the copays, for a 90-day supply, shall be \$14.00 for generic drugs, \$30.00 for brand name drugs which have no generic equivalent and \$50.00 for brand name drugs which have a generic equivalent.~~
- (B) The City shall establish an employees health care committee comprised of the budget and finance director and one representative each from the City unions and one unaffiliated representative. When necessary or desirable, this committee shall explore alternate health care plans, cost saving measures, and proposed changes to current coverage before changes are proposed pursuant to paragraph (A) of this section.

(C) Employee cost sharing under the basic medical and major medical sections of the health plan shall be as follows:

- 1. For the years 2012 and 2013, the employee payroll deduction for health coverage shall not exceed 7½% of the fully funded rates provided to the City by the plan's third party administrator at the annual plan renewal. For 2012 the deduction each pay period shall be \$22.45 for single coverage and \$52.70 for family coverage, which shall be effective March 23, 2012. The annual increase/adjustment in 2013 may not exceed 10% of the previous year's deduction. For the year 2014, the payroll deduction for health coverage shall not exceed 10% of the fully funded rates nor what the 2013 payroll deduction would have been if the agreed to percentage of funding rates had been 10% in 2013. Deductions in 2013 and 2014 shall be effective the first day of the first full period in January.**
- 2. The annual in-network deductible shall be \$200 per individual and \$500 per family. The annual out-of-network deductible shall be \$400 per individual and \$1,000 per family.**
- 3. The in-network co-insurance shall be 90%. The out-of-network co-insurance shall be 70%. If in-network options are not available, the out-of-network co-insurance shall be 90%.**
- 4. The annual in-network out-of-pocket maximum shall be \$800 per individual, including deductible. The annual in-network out-of-pocket maximum shall be \$2,000 per family, including deductible. The annual out-of-network out-of-pocket maximum shall be \$1,600 per individual, including deductible. The annual out-of-network out-of-pocket maximum shall be \$4,000 per family, including deductible.**

(D) Co-pays under the prescription plan shall be determined as follows:

<u>2012</u>	<u>2013</u>	<u>2014</u>
Retail:		
Tier 1 = \$5	Tier 1 = \$5	Tier 1 = \$5
Tier 2 = \$20	Tier 2 = \$25	Tier 2 = \$30
Tier 3 = 20% of claim	Tier 3 = 25% of claim	Tier 3 = 30% of claim
Mail Order:		
Tier 1 = \$10	Tier 1 = \$10	Tier 1 = \$10
Tier 2 = \$40	Tier 2 = \$50	Tier 2 = \$60
Tier 3 = 20% of claim	Tier 3 = 25% of claim	Tier 3 = 30% of claim

The Tier 2 co-pay shall be used for a Tier 3 drug that has no Tier 1 or Tier 2 equivalent. Tier 3 drugs are capped at \$100 per prescription.

(E) The payroll deduction for employees choosing only dental and/or vision coverage shall be \$3.00 for dental, \$1.50 for vision or \$4.50 for dental and vision per pay period.

(F) ~~E.~~ The City agrees to obtain and pay the cost of police professional liability insurance if such coverage is now available or would become available during the life of this Agreement. Said coverage shall provide "adequate protection" to the Police Officer as shall be mutually agreed upon by the City and the F.O.P.

(G) ~~D.~~ While an officer is on workers compensation as a direct result of his employment with the City, the City of Zanesville agrees to continue paying his insurance premiums for up to one year, provided the employee continues paying his or her share of the insurance cost established in Section 9.1.

(H) ~~E.~~ The City will provide a ~~twenty thousand dollar (\$20,000.00) life insurance policy on members. Effective January 1, 2010, the life insurance policy shall increase to of thirty thousand dollars (\$30,000).~~ It is the employee's responsibility to notify the City of a change in the policy's beneficiary.

SECTION 9.3 - CHANGES IN INSURANCE STATUS

Employees must report any family, marital, or Medicare status changes, which affect their health insurance coverage, to the City Auditor immediately following such a change. An employee failing to do so is liable for back payments to the City for additional premiums paid by the City on the employee's behalf.

SECTION 9.4 - INSURANCE GRIEVANCES

A grievance alleging violation of the terms of this Article shall proceed immediately to Step 3 in the grievance procedure pursuant to Section 23.18. While decisions made by the city's insurance provider while processing claims in accordance with the city's health plan are not grievable, issues involving whether or not the City changed its plan in violation of ~~Section 9.4~~ **this Article** are grievable.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have set their hands this _____ day of _____, 2009 2012.

FOR THE F.O.P.:

FOR THE CITY OF ZANESVILLE:

APPENDIX I

HOURLY PAY RATES EFFECTIVE 2012, 2013, 2014

POSITION CLASSIFICATION OF POLICE OFFICER

<u>STEP</u>	<u>2012*</u> (0%)	<u>2013°</u> (1%)	<u>2014°</u> (1%)
B	\$15.62	\$15.78	\$15.93
C	\$17.06	\$17.23	\$17.40
D	\$18.93	\$19.12	\$19.31
E	\$19.91	\$20.11	\$20.31
F	\$24.08	\$24.32	\$24.56

PENSION PICKUP REDUCTION AND HOURLY PAY RATE SUPPLEMENT

	<u>2011</u>	<u>2012*</u>	<u>2013°</u>	<u>2014°</u>
Pickup	8.5%	5.67%	2.84%	0%
Reduction	0%	2.83%	2.83%	2.84%
Supplement	0%	2.28%	2.28%	2.28%
<u>STEP</u>				
B		\$0.36	\$0.36	\$0.36
C		\$0.39	\$0.39	\$0.40
D		\$0.43	\$0.44	\$0.44
E		\$0.45	\$0.46	\$0.46
F		\$0.55	\$0.55	\$0.56

* Effective March 23, 2012.

° Effective first full pay period in January.

OFFICES OF

ROBERT M. LUSTIG
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STATE EMPLOYMENT
RELATIONS BOARD

2012 MAR 13 P 12: 15

March 10, 2012

City of Zanesville
c/o Mr. Jonathan J. Downes &
Mr. Todd M. Ellsworth
Downes Fishel Hoss Kim LLP
400 South Fifth Street #200
Columbus, Ohio 43215

FOP Ohio Labor Council
c/o Mr. Mark Drum
222 East Town Street
Columbus, Ohio 43215

RE: *FOP/Ohio Labor Council*
and
City of Zanesville
SERB No. 11-MED-07-1000

Dear Mr. Downes, Mr. Ellsworth and Mr. Drum:

Enclosed is my Fact Finding Report and my bill in this matter.

It was a pleasure being of service to you.

Very truly yours,

Robert M. Lustig

RML:mkl
Enclosures

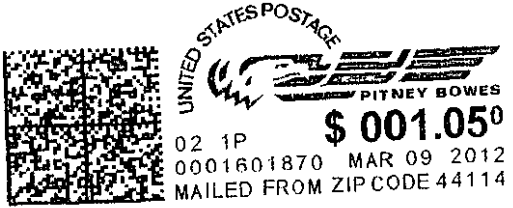
✓ cc: SERB

Downes, Ellsworth and Drum
03/10/12
Page 2 of 2

and U.S. Mail only to:

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65 East State Street
12th Floor
Columbus, Ohio 43215-4213

Attn: Donald M. Collins
General Counsel and
Assistant Executive Director



LUSTIG, EVANS & LUCAS CO., L.P.A.

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