

**STATE OF OHIO  
STATE EMPLOYMENT RELATIONS BOARD**

CITY OF HILLSBORO,

Employer,

-and-

Case Nos. 12-MED-09-0823, 0824, 0825

FRATERNAL ORDER OF POLICE,  
OHIO LABOR COUNCIL, INC.,

Employee Organization.

**FACT-FINDING**

*Philip H. Sheridan, Jr., Fact-finder*

*Issued: June 6, 2013*

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For The Employee Organization

**STATEMENT OF THE CASE**

The parties, the City of Hillsboro, represented by David S. Blaugrund, Esq., and the bargaining units, the Fraternal Order of Police, Ohio Labor Council, Inc., 15 total employees in three bargaining units: 3 dispatchers (Unit C), 9 police officers (Unit B), and 3 sergeants (Unit A), represented by Mark Scranton, Staff Representative, have entered into negotiations for a successor contract to the contract that expired December 31, 2012.

The parties met and bargained in good faith with at least three meetings between the parties. The parties without dispute, or through negotiation, reached tentative agreement on current language or changes in the collective bargaining agreement. Issues remain in five articles of the agreement.

Pursuant to R.C. §4117.14 and Admin. R. 4117-9-05, the State Employment Relations Board appointed Philip H. Sheridan, Jr., 915 South High Street, Columbus, Ohio, as fact-finder.

The parties agreed to a fact-finding hearing on May 8, 2013, and the meeting was convened at 10:00 a.m. at the City Administration Building. In addition to their representative, Mayor Drew Hastings, City Auditor Gary Lewis, and Safety Service Director Todd Wilkin, appeared at the hearing. In addition to their representative, Dispatcher Pam Reid, Police Officer Fred Hampton, and Sergeant Ron Priest appeared on behalf of the bargaining units. The parties and the fact-finder discussed the procedure to be followed by the parties.

After an attempt at mediation and tentative agreements on several of the issues, the parties agreed that the remaining issues were not amenable to additional

mediation. The parties submitted the matter upon testimony, statements, documents, and arguments presented to the fact-finder.

In accordance with the provisions of R.C. Chapter 4117, the parties provided me with a copy of the current (expired) contract, agreed extensions of time for fact finding, the articles that are unchanged or have been resolved, the unresolved articles, and each party's proposal on the unresolved issues.

In issuing this fact-finding report, I have given consideration to the provisions of R.C. Chapter 4117 and, in particular, the criteria contained within Admin. R. 4117-9-05(I).

## THE POSITION OF THE PARTIES AND RECOMMENDATIONS

### Article 16, Wages

The parties reached a tentative agreement on most of the issues concerning wages. By agreement, the parties adopt the city's language in tab 5 of the city's submission, except for the language in Section 16.2, which is in dispute, and the language in Section 16.3, which the parties agree will be current contract language.

The city's position: The city proposes language in Section 16.2, which would offer increases to bargaining unit members that the city offers to any other city employees during the course of the contract that exceed what the bargaining units receive. The city would exclude increases as a result of fact finding or conciliation and add language that allows the city to increase individual employees' compensation to address unique circumstances without being bound by the "me too" clause.

The bargaining units' position: The bargaining units' proposed "me too" language includes increases as a result of fact finding or conciliation. The bargaining units do not believe the

city will apply its proposed exceptions fairly. There is nothing unique to increases as a result of fact finding or conciliation.

Discussion and recommendation: The parties were close to settling their differences and reaching an agreement on several occasions during mediation and negotiations for this article. The increase for 2013 is agreed at 1.5%, and is effective January 1, 2013, and other substantial changes were adopted.

I recommend the following “me too” clause: “Section 16.2. In the event that the city grants an annual wage increase to city employees outside of the bargaining units included in this collective bargaining agreement, and that increase exceeds the 1.5% annual increase provided by this agreement for 2013, or any annual increase that may be established in a subsequent wage reopener, the increase provided by this agreement shall be amended to conform to that higher percentage increase. This provision does not apply in situations where the city grants an increase to other city employees as a result of a fact finding or conciliation proceeding.”

My notes are not clear on whether there is a tentative agreement on the city’s proposed change from weekly to bi-weekly pay. It appears that the city is going to biweekly pay as a matter of efficiency and economy. If there was no agreement then I recommend the following Section 16.5, which provides: “Section 16.5. Biweekly Pay. Bargaining unit members shall be paid on a biweekly basis upon the ratification of this collective bargaining agreement.”

**Article 17, Longevity Pay**

The city’s position: The city believes longevity is too expensive and should be abolished except for payment to employees who are within three years of retirement based on a

payment of \$120 per year of service in the first year, \$130 per year of service in the second year, and \$140 per year of service in the last year before retirement. The city argues that the cost of continuing longevity pay would amount to \$84,540 over the three year term of the contract, while the city's proposal would total \$20,120. The city's dire financial straits support this proposal, especially because the bargaining unit members are already placed on the salary scale based on years of service.

The bargaining units' position: The bargaining units propose abolishing longevity pay, but only for those employees hired after January 1, 2013. The city's proposal results in actual reduction in pay for bargaining members, which has never been imposed on any other city employee. The city has agreed to grandfather other employees in other bargaining units in order to abolish longevity. The longevity clause has been in the collective bargaining agreement since the first contract in 1986, and the comparables show that more than half of the comparable contracts still contain longevity clauses.

Discussion and recommendation: The city argues that it is doing away with longevity with all of its employees, including the other bargaining units, as a cost savings that is necessary because of the city's fragile financial health. The over \$64,000 in savings over the life of the collective bargaining agreement would be borne by the bargaining unit members who did not qualify for the pre-retirement payments. The reductions to the bargaining unit members would be larger for the more senior members who did not qualify for the pre-retirement payments. The largest reduction amounts to 5% per year (\$2,640 longevity payment ÷ \$48,500 annualized wages 2013).

Issues like this one, where the parties have had longevity in their collective bargaining agreements since 1986 ought to be changed through negotiation and agreement.

It appears that the city has been able to negotiate to end longevity in its other two collective bargaining agreements. The city's proposal also has some issues with implementation.

Everyone who is eligible to retire doesn't retire, so a proposal would need language to explain how payments would be handled once the bargaining unit member passed the normal retirement years of service. To make it more palpable, the city might also consider a five year payment period given recent changes in the calculation of final income for calculation of pension amounts proposed to the retirement systems. Because of these issues I recommend current contract language except for the bargaining units' proposal for abolishment.

I recommend the bargaining units' proposed language for Article 17 at tab four of their submission, which abolishes longevity for all bargaining unit members employed after January 1, 2013. Longevity remains the same for the current bargaining unit members.

### **Article 18, Holidays**

The city's position: The city opposes the bargaining units' proposal for additional holiday time and proposes to limit the "me too" clause concerning vacation to any extra time off offered to the fire bargaining unit. The city also rejects a carryover of personal time past the end of the calendar year. Any additional vacation for the safety force bargaining units results in additional costs in premium pay or personal time, while granting time off to other non-safety employees results in lost productivity, but no increased cost.

The bargaining units' position: The bargaining units propose a "me too" clause for the holiday article of the collective bargaining unit because of the practice of the city of permitting certain employees to leave work early on days abutting holidays, or other informal releases from what would ordinarily be normal work hours.

Discussion and recommendation: The city would differentiate between safety forces and other employees with respect to informal holidays. A half day off close to this or that holiday is a morale booster for the released employees, and it isn't a real problem until it increases cost, as it does when a bargaining unit member receives premium pay for working the hours. I can't conceive of a situation where the city would grant informal holiday time to members of the fire fighters' bargaining unit, and that does not appear to be the issue the bargaining unit is addressing. I recommend the bargaining units' language at tab 5 of their submission. The city can avoid the cost by not permitting certain employees to leave work early during regularly scheduled work periods.

**Article 20, Insurance**

The city's position: The city wants to increase the bargaining units' share of the costs of health insurance. The city proposes increasing the premium contribution to 15% from the current 5%, and proposes reducing the city's contribution to each employee's HSA or HRA account from \$3,750 to \$2,000 for family coverage and from \$1,875 to \$1,000 for single coverage. The city's proposal provides that these bargaining units will pay the same insurance contribution as other city employees, and that if other city employees are authorized to pay a lower health insurance contribution, the employees in these units will also have their contribution reduced to the same level. Finally, the city proposes to reduce the payment to employees who opt out of the city's insurance coverage from \$800 per month for declining family coverage and \$300 per month for declining single coverage to \$150 per month for declining coverage without regard to family or single coverage.

The bargaining units' position: The bargaining units offer 5% premium contribution in 2013, 8% in 2014, and 11% in 2015. The bargaining units propose keeping the current city

contribution of 75% of the family and single deductibles being placed in the employees' HSA account at the beginning of the year. The contribution will be reduced to 65% in 2014, and 60% in 2015. The bargaining units propose maintaining the opt out payments at \$800 and \$300 per month for 2013, a reduction to \$700 and \$250 for 2014, and a reduction to \$600 and \$200 for 2015.

Discussion and recommendation: The parties have an agreed framework for the article, but the city wants set amounts and the bargaining units want percentages, and the parties are apart in the amounts offered. It is clear from the parties' presentations that even safety forces are contributing more to their health care costs, especially where the employer can show years of spending more than it takes in in revenue. I recommend the following contract language:

**Article 20. Insurance**

Section 20.1 Health Insurance

The city shall continue to offer to each bargaining unit employee medical and hospitalization insurance coverage, pursuant to the same terms and conditions as insurance is offered to all other city employees, except where such terms and conditions are expressly modified by this article. The city shall provide the same or substantially similar level of benefits (including employee co-pays) for medical and hospitalization insurance coverage as the prior years' insurance plan.

The employee will be required to pay 5% of the applicable insurance premium in 2013, regardless of plan type. This payment will increase to 10% in 2014 and 15% in 2015.

In the event the city offers a Health Savings Account (HSA) the city shall contribute 75% of the applicable deductible to the employees' accounts upon contract ratification in 2013.

Effective January 1, 2014 the city's HSA contribution will decrease to 65% of the applicable deductible. Effective January 1, 2015, the city's HSA contribution will decrease to 55% of the applicable deductible.

In the event the city offers a Health Reimbursement Account (HRA), the city shall contribute 75% of the applicable deductible to the employees' accounts upon contract ratification in 2013. Effective January 1, 2014 the city's HRA contribution will decrease to 65% of the applicable deductible. Effective January 1, 2015 the city's HRA contribution will decrease to 55% of the applicable deductible.

Bargaining unit employees who decide not to enroll in the city's medical and hospitalization insurance coverage plan or who withdraw from participation in the city plan after participating, shall receive payment in lieu of such coverage in the amount of \$300 per month for single coverage or \$800 per month for all other coverage option for each month that they do not receive city insurance in 2013. Employees who elect not to enroll or opt out after the annual HSA contribution or any portion of the contribution has been made, will repay a pro rata portion of the city's prior HSA payment(s) determined by dividing the HSA payment by 12 and then returning the 1/12 of the payment for each month that remains in the year for which the employee will now be covered by city health insurance.

Effective January 1, 2014, the payment for declining city provided health insurance will change to \$225 per month for single coverage and \$600 for all other coverage. Effective January 1, 2015, the payment for declining city provided health insurance will change to \$175 for single coverage and \$500 for all other coverage.

At the conclusion of this bargaining cycle for the city's other bargaining units, members of these bargaining units will be subject to the same employee contribution levels or less for health insurance as applicable to all other city employees.

Section 20.2 Life Insurance

The city will furnish each employee covered by this agreement a life insurance policy in the amount of \$20,000 with an A-D&D feature of a like amount at no cost to the employee.

Section 20.3 Vehicle and Liability Insurance

The city shall continue to provide vehicle and professional liability insurance, at least to the current levels.

Section 20.4 Insurance Meeting

During the life of the agreement, either party may request to meet and discuss this article if better coverage for the same cost or the same coverage at less cost can be found.

Section 20.5 Dental Insurance

The city shall furnish a policy of dental insurance and shall pay \$40 per member per month. In the event the cost of the insurance exceeds the \$40 per member per month, the member shall pay the excess amount. In the event that the city purchases the same or better coverage through another carrier at a cost of less than \$40 per member per month, the city is only obligated to pay the lesser amount.

**Article 37, Duration**

The parties reached a tentative agreement on duration. The parties adopted the city's proposed language at tab 17 of the city's submission, which includes a three-year agreement beginning January 1, 2013 and concluding December 31, 2015 and includes the process for reopeners in 2014 and 2015 on Article 16, Wages.

CONCLUSION

In addition to the comments above, I considered the information provided to me by both parties and am making my recommendations after consideration of the statutory and administrative requirements provided in Chapter 4117 of the Revised Code.

I recommend that the parties adopt the unchanged articles that were listed in both parties' submissions, and the tentative agreements reached by them as stated in this fact finding. The parties cooperated in presenting their positions to me and in dealing with one another. The courtesy and professional behavior was evidence of the good relations between the parties. Good faith bargaining does not necessarily lead to agreement, but I encourage the parties to continue to bargain in good faith even if they are unable to agree on my recommendations.

Respectfully submitted,

\s\ Philip H. Sheridan, Jr.  
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CERTIFICATE OF SERVICE

A copy of the foregoing Fact-Finder Report was served by email this 6th day of June, 2013, to the principal representatives of the parties, and by email to State Employment Relations Board.

\s\ Philip H. Sheridan, Jr.  
PHILIP H. SHERIDAN, JR.