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IN THE MATTER OF FACT FINDING

BETWEEN

THE CITY OF WESTLAKE, OHIO

AND

AFSCME, OHIO COUNCIL 8 AND LOCAL 3904

SERB CASE # 2012-MED-10-1315

Robert G. Stein, Fact-finder

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INTRODUCTION

The parties to this matter are AFSCME Ohio Council 8, Local 3904 (hereinafter "Union") and the City of Westlake, Ohio (hereinafter "Employer" or "City"). The Employer is located in northern Ohio. The bargaining unit is comprised of approximately forty-eight (48) employees who hold various positions in the City's Service Department as identified in the Collective Bargaining Agreement. The majority of the bargaining unit employees are in the classifications of Service Worker 1, 2, and 3.

General/State/Local Economic Overview: Caution and disquiet appear to be an apt characterization of the state of the current international, national and the local economies. The economy is improving but the improvement is uneven; some people survived and recovered well from the effects of the "great recession," others did not and either remained unemployed, underemployed and have often experienced a substantial reduction in their wealth. The uncertainty appears to be due to a variety of factors, both economic and political. An example of uncertainty that is both economic and political in nature is the condition commonly known as the "Sequester." It replaced the "fiscal cliff" that dominated the airwaves in December and early January, causing continued uncertainty. The Sequester has begun in a seemingly quiet way, but with no immediate hope of resolving what is predicted to become a drag on the economy in the not too distant future. However, as time goes on the effects will become apparent and will have a real life impact in northern Ohio (e.g. Head Start Programs are being cut, Cleveland Airshow being cancelled, teachers positions will likely be cut, military contract employees furloughed or laid off, etc.). Another example of disquiet is on the international front in terms of strife in Syria, Egypt, Turkey,

Iran, and Iraq, with threats of instability to other countries such as Jordan being predicted. And, the debt problems in European countries, even relatively small ones such as Greece, can undermine the U.S. and have an adverse effect on Ohio's economy, regardless of the best efforts of Ohio's leaders to sustain economic growth and reduce unemployment.

At this time the economy in Ohio does continue to show signs of steady improvement from a very long and severe national recession, 32,000 jobs were added to Ohio's economy in May and Ohio's jobless rate is at 7%. (ABJ, 5/22/13) Additionally, an increase in job seekers being offered multiple job offers is taking place compared to the recent past. However, the job gains are slower than occurred in 2012 and there is still a long way to go to make up for the over 400,00 jobs lost in the last 12+ years, many of which paid well and had good benefits. Yet, as previously stated, Ohio's economy is susceptible to the financial health of the United States and the world. A third area of uncertainty is the advent of the Affordable Care Act and its implications for hiring full-time workers versus part-time workers, in addition to many other uncertainties for employers and employees. A fourth is the general gridlock in Washington D.C., beyond the Sequester issue, that fuels increasing concern over inaction on matters that may also slow the economy, such as addressing a growing national debt, keeping Medicare and Social Security solvent, reducing unemployment, and creating jobs that pay a living wage. One only has to view the limited opportunities available to recent high school and college graduates to find evidence that a "good" job with "good benefits" remains hard to find, unless you happen to be educated or trained in one of the few areas of high demand. There are positive signs, the housing market continues showing signs of recovery and the auto industry has had record sales this spring. Yet, uneasiness persists with some twelve (12) million people remaining unemployed, and many others underemployed. And as previously stated, the recovery is uneven, depending upon location. The City of Westlake is both well managed and financially sound. It stands out as one of the cities that has weathered the storm of recession and came out intact without having to resort to furloughs or layoffs, as was the case in many Ohio cities and other levels of government. Yet, what the City has not escaped are the higher costs of health care, the reduction of state funding, the elimination of the estate tax, reduced interest income, and reduced tax collections.

The parties held nine (9) negotiations sessions from January to April prior to declaring impasse and going to fact finding. The fact finder, at the consent of the parties, entered into mediation and was able to resolve all but two difficult issues, wages and health care. A total of three mediation sessions were held and the parties were able to come closer in terms of their positions on these remaining issues. The parties at the hearing submitted their positions on two (2) issues: **Article XLI WAGES and Article XXXVIII HEALTH CARE.** All other issues were either previously resolved or were tentatively agreed during the three days of mediation conducted by the fact finder.

These items were specifically addressed by the fact finder in this report and are based upon the evidence and arguments proffered by the Union and the City. The recommendations contained in this report are intended to conform to the statutory criteria that all fact finders must follow.

CRITERIA

OHIO REVISED CODE

In the finding of fact, the Ohio Revised Code, Section 4117.14 (C) (4) (E) establishes the criteria to be considered for fact-finders. For the purposes of review, the criteria are as follows:

1. Past collective bargaining agreements
2. Comparisons
3. The interest and welfare of the public and the ability of the employer to finance the settlement.
4. The lawful authority of the employer
5. Any stipulations of the parties
6. Any other factors not itemized above, which are normally or traditionally used in disputes of this nature.

The recommendations contained in this report are listed in accordance with Articles that were open and the subject of mediation. For the sake of brevity the specific rationale proffered by the parties can be found in their position statements. However, in summary the parties' positions on the issues of wages and health care are as follows:

Summary of Union's Position on Wages and Health Care:

Wages. The Union originally proposed a \$2.00 per hour equity adjustment in wages effective on 3/1/13 in the first year and 3.5% increases in years two and three of the Agreement. It argues that although the City is one of the most financially well off cities in northern Ohio, the wages of the bargaining unit rank in the last quartile in comparison to other comparable neighboring cities. At the same time the salaries of management rank much closer to the top quartile, argues the Union. A second issue regarding wages goes beyond the current wage rates and addresses the progression from Service Worker 2 to Service Worker 1 (herein after "SW"). While the Union understands the movement from SW 3 to SW 2, how one moves to SW 1 is not clear and the Union proposes that bargaining unit employees should become SW 1s after 5 years of service. The Union also proposed that it is willing to cap longevity at 15 years. **Health Care.** The Union's reaction to the Employer proposed changes in health care center around a willingness to remove artificial caps that do not reflect the true percentage of premium payments, and the uncertainty in the Employer's "wellness" approach to future health care rates. The Union is not opposed to being involved in a joint labor/management health care committee, especially one that has the ability to make meaningful changes in the health care benefit levels and rates paid by bargaining unit members and others. However, the Union throughout the mediation process voiced concern over wellness benchmarks (expectations) of the Employer as being realistic, fair, and reasonable. The Union is not opposed to a plan that encourages its members to live a healthier lifestyle (e.g. health screening, eliminate smoking, etc.) but is concerned that expectations must be attainable. The Union proposes to keep the cost of the

premium at a 90-10 split between the Employer's share and the employee's share and is opposed to any spousal carve-out language. In the three mediation sessions health care and wages were the primary focus on days two and three. The Union's position on the issues can be found in its Position Statement.

Summary of City's Position on Wages and Health Care:

The City made several modifications in its position on both health care and wages during the mediation process. **Wages.** The City's focus regarding wages is in several areas. The City proposes to move to a true wage range for all classifications. At first the City proposed to collapse all classifications of SW 1, 2, and 3, but in mediation modified its position, keeping all classifications intact. This helped the parties in mediation to focus on the value of incorporating a classic wage range, with a minimum, mid-point, and maximum salary for each classification. The City argues that because the Employer has a unique merit pay system that when awarded adds to an employee's regular pay, creating differing pay rates that only make sense if placed in a pay range. The Employer is also interested in being able to hire employees above the start rate to aid recruitment efforts when necessary. The Employer wants to do away with automatic increases between SW 3 and SW 2 positions, but only for newly hired employees. It proposes to grandfather current employees. The Employer initially proposed a 1% increase in wages, but in mediation indicated greater flexibility in the first year and a willingness to consider a move to 2% in each of the second and third years of the Agreement. **Health Care.** The City's proposal on health care is clear in its overall intent. The City proposes to move to a wellness based model that's preventative and rewards healthy behavior. It wishes to help employees stay healthy while

at the same time saving on the cost of health care, which is well in line with the trend among many progressive employers. (See 2013 Employee Benefits: A Research Report by SHRM) The Employer also proposes to lift the cap on employee premiums in order to accurately reflect the shared percentage of payment between employees and the Employer. It should be noted that during negotiations and mediation the City modified its position on health care in order to address issues raised by the Union. The City's position on the issues can be found in its Position Statement.

Fact-finder's overall Findings.

Health Care. The Employer in its modified proposal in fact finding is attempting to be proactive in terms of what is likely to be more costly health care coverage in the future. It is promoting wellness as a long-term preventive measure to both reduce costs and incentivize a healthy lifestyle among its employees. The goals are rational and mirror what other progressive organizations, such as the Cleveland Clinic, are doing. However, change is never easy, and along with it is concern that the system will not treat people fairly. During the negotiations and the mediation process the Employer made several modifications to its wellness approach to health care in an attempt to alleviate concerns expressed by the Union. However, it did not back away from its desire to be proactive. The changes made by the Employer are reasonable, not mandatory, and include incentives in the form of premium costs within the context of prevention. Moreover, it is structured at a deliberately cautious pace, giving employees who smoke lead time to determine if they desire to quit in order to save on premium costs. What is also progressive in the Employer's plan is the establishment of an employee/employer health committee that has meaningful authority to

address future health care coverage and costs. The Employer's proposed plan, which will cover all employees, addresses two areas: wellness screening and smoking, and it will go into effect in a phased manner. Both approaches attempt to detect problems early and encourage employees to steer clear of or stop a habit that research has demonstrated is the cause of a variety of health care problems. Again it must be emphasized that the Employer is not mandating change, but is instead creating real incentives to consider what is logical in terms of one's own health. **Wages.** What the Employer proposes is to establish a compensation system that comports with what is, in part, currently in place and what many employers are moving toward in terms of performance based pay. The Employer's proposal to eliminate steps is supported by trends in the public sector in Ohio, but more importantly conforms to a somewhat unique multi-level pay system that has been in place, but has never been fully integrated into a comprehensive compensation methodology. For the past three (3) years employees have been eligible for merit pay, which from the facts has just gotten its footing in the past two years. In the experience of this neutral, merit pay for service department employees is still unique, but in terms of the changing employment picture in the public sector (e.g. education in Ohio) it conforms to contemporary thinking regarding compensation based upon reasonable measures of productivity. The current system appears to be a hybrid of fixed increases and merit pay that now conforms much better to a wage range than it does to a partial fixed step schedule, which had been in place for some employees moving from SW 3 to SW 2. But, what remains unclear, as strongly asserted by the Union, is the criterion for movement to different classification levels (e.g. SW 2 to a SW 1). For instance, if an SW 2 receives merit pay for several years in a row, does he/she become eligible for promotion to a SW 1, or are there additional requirements to be

met? What distinguishes a SW 1, from a SW 2, or a SW 3? And, what skills (e.g. operating heavy equipment, carpentry skills, plumbing skills, etc.) or educational level (e.g. certifications in welding, electrical, etc.) does an SW 2 have to possess in order to be promoted to a SW 1? The same questions may also arise as to other classifications where movement is possible such as Mechanic or Crew Chief. The removal of the step increases for future employees will create the same questions for movement from SW 3 to SW 2. While the Employer's proposal moves in the direction of creating an all-inclusive compensation system that is far more compatible with merit pay, the Union's concern on how one gets promoted remains unanswered. And, if left unclear it will likely undermine the City's progressive incentive based compensation system. Bargaining unit employees, like those in the private sector, need to have a clear understanding of what it takes to move up in an organization so they may be challenged to meet those demands. The fact finder is not in a position to address this issue due to the fact that the parties themselves need to first vet this issue at the local level. The Director of Public Service, Paul J. Quinn III, appears to be very sincere and serious about the level of professionalism he demands from his workforce and the need for employees to be productive. He also appears to favor the use of the merit system to create incentives for improved performance. What remains unfinished in the opinion of the Union is a clear path to promotion. In terms of this important issue raised by the Union, work must be done jointly by the parties to better define the work of classifications, and what it takes to be promoted. In this report language is recommended to foster these discussions. In mediation and fact finding, the City took the position that its wage rates fall in the middle of comparable cities in the western suburbs of Cleveland. The Union strongly argued that its wages fall far short of the middle and do not mirror the

approach taken by the City to managerial wages and how they compare to western suburbs of Cleveland. What is difficult to discern is what affect the added benefit of merit pay and other forms of comparable compensation, including health care, have on the relative position of the bargaining unit in comparison to neighboring suburbs. Yet, using the Employer's own evidence, there is a need to address wages, which at certain points (e.g. starting wage and top wage) are behind the Cleveland-Elyria MSA (Exs. N-3, P, P-2) and support the Employer's proposal to move to a pure salary range compensation design. In Employer Ex. Q. for example which compares many components of compensation with Avon Lake (highest) removed, the City argues its wages for SWs exceeds the average by \$898. However, to be fair, if you remove both Avon Lake and the lowest, Rocky River, then wages in Westlake for SWs are very close to the average. Of course, this is a moving target and multi-year collective bargaining agreements have to be structured to anticipate wage trends, which according to an August 2012 report from SHRM are trending upward within the 2% range. ("Unanimity on 2013 Salary Forecasts Holding Up", Stephen Miller CEBS, On line Editor/Manager SHRM, August 15, 2012) The recommendations included in this report are intended to maintain the City's relative position, given the average increases found in the public sector for cities that are financially sound. For these cities, two percent, whether in the form of cents per hour or a percentage (not accounting for roll-up costs) represents a common wage increase that is slightly ahead of the 2012 and current 2013 inflation rates. (See SERB data for comparisons of 2012, and BLS data for 2012 and through May 2013) The Employer proposes that wage increases for the first year not be retroactive and should begin upon ratification. The Union insists that wage increases should be effective on March 1 and has the more persuasive position on this matter. The

Employer's position would cause employees to lose out on four months of their wage increase (not counting overtime) and would be contrary to the parties bargaining history.

Based upon these positions, the evidence in the record, and applying the statutory criteria, the following recommendations are made in hopes that the parties will ratify a new agreement. Listed below are the articles where there are recommended changes. They are provided within the context of the current collective bargaining language including crossed out current language, and **bolded** language in regular or capitalized font is recommended language.

RECOMMENDATIONS:

ARTICLE XXXVIII

HEALTH CARE BENEFITS AND SPENDING PLAN

38.01 *For the term of this agreement, the Employer agrees to provide bargaining unit employees the same health insurance plan, inclusive of medical, hospitalization, dental, eye-care and prescription coverage (health care), as that provided to non-bargaining unit employees under a group insurance plan. Such group insurance may be provided through a self-insured plan or an outside provider. For the year 2013 and 2014 the benefits shall remain comparable to those contained in attachment "A". A change in insurance carrier, plan administrator or health care system (PPO, HMO, etc.) that requires a change in health care providers but does not reduce financial or related benefits is a comparable benefit under this Section. **Beginning 2015, Cost containment measures may be adopted by the Employer in pursuant to the provisions of Section 38.05 herein.** ~~Effective January 1, 2011, employees shall receive medical, hospitalization, dental, eye-care and prescription coverage as follows:~~*

~~a. Employee co-pay participation:~~

Tier	80/20 limit	80/20 max out of pocket
Single:	80/20 of max \$5,000 =	\$1,000.00
Employee + Spouse	80/20 of max \$10,000 =	\$2,000.00
Employee + 1:	80/20 of max \$10,000 =	\$2,000.00
Family:	80/20 of max \$15,000 =	\$3,000.00

~~The max out-of-pocket is for co-payment portion only. All other deductibles apply. Deductibles shall be: single two hundred (\$200.00) dollars; employee + spouse three hundred fifty (\$350.00) dollars; employee + dependent three hundred fifty (\$350.00) dollars; and, family five hundred (\$500.00) dollars.~~

~~b. Office visit participation:~~

~~i. Fifteen (\$15.00) dollars per visit (not included in calculation of deductible or out of pocket maximum).~~

~~ii. Non-emergency use of emergency room seventy five (\$75.00) dollars per visit.~~

~~c. Prescription co-pays:~~

~~i. Generic (level 1) \$0 only applicable to generics available from all discounted generic providers (\$4.00 will be reimbursed by City).~~

~~Generic (level 2) \$15.00~~

~~ii. Formulary (preferred) \$30.00~~

~~iii. Non-formulary 30%/\$100.00 cap.~~

~~Employees shall continue to pay the difference when a name brand or formulary is selected over an available generic or formulary.~~

~~d. Dental and eye care: The eye care plan shall be as follows: fifty (\$50.00) dollars maximum every two (2) years for an eye examination and one hundred fifty (\$150.00) dollars maximum every two (2) years for qualified prescription eye wear.~~

~~e. Premium sharing: Employees shall be required to share in the employer's cost for premiums. Effective January 1, 2011, the premium sharing shall be ten (10%) percent of the total cost per employee per coverage type per month subject to the following monthly maximums: 2010 twenty five (\$25.00) dollars; 2011 seventy (\$70.00) dollars; and 2012 one hundred (\$100.00) dollars.~~

~~f. Specialist may be contacted directly. Referrals from the primary care physician are no longer required.~~

~~g. Well child care and immunization coverage is provided so that children from birth to age two (2) are covered for a maximum of seven hundred fifty (\$750.00) dollars for the first twenty four (24) months and children from age two (2) to twelve (12) are covered for a maximum of two hundred fifty (\$250.00) dollars per benefit period.~~

~~h. Effective July 1, 2011, the Employer shall contribute sixty (\$60.00) dollars per month to the Ohio AFSCME Care Plan for each employee who is covered by this Agreement for the AFSCME Care Plan Dental IV coverage.~~

38.02 *Annual Wellness Screening Program.* Commencing in calendar year 2014, the City shall institute an annual wellness screening program that will be offered to all employees and spouses participating in the group health plan made available through

the City. The City will determine the manner in which screening is to be accomplished. The wellness screening program will allow each employee to receive a two and one-half percent (2.5%) reduction in their applicable monthly premium for certifying to the City that they and their spouse if applicable have been screened from a health care provider in the following categories: (1) Tobacco Use, (2) Blood Pressure, (3) Cholesterol, (4) Obesity, and (5) Glucose level. The reduction will apply to the first month following the submission of the required verifying documentation to the City. In order to receive this reduction, the Employee and his spouse (if applicable) shall be required to complete a City form certifying that the screening has occurred and complete a release the will permit the Employer to verify with the health provider the date/time of the screening and a positive/negative result on the nicotine test. Application of the two and one-half percent (2.5%) reduction will result in the employee base contribution being reduced from fifteen percent (15%) to twelve and one half percent (12.5%) for 2014. For 2015, the reduction is expressed in the formula contained in 38.04. ~~The Employer reserves the right to self insure or to change insurance carriers at its discretion, providing the benefits under the plan are comparable to those provided under this Agreement. A change in insurance carrier, plan administrator or health care system (PPO, HMO, etc.) that requires a change in health care providers but does not reduce financial or related benefits is a comparable benefit under this Section.~~

38.03 Tobacco Use Surcharge. *Commencing in calendar year 2015, the City shall institute a tobacco use surcharge for all employees and spouses participating in the group health plan made available through the City. Under this program employees shall be required to pay a five percent (5%) surcharge in their applicable monthly premium for tobacco use by the employee or the covered spouse if applicable. The surcharge rate is reflected in the base cost sharing formula contained in 38.04. In order to avoid the surcharge, an employee and spouse (if applicable) whose Tobacco use is not covered in 38.02 shall be required to complete a City form certifying that the Tobacco screening has occurred and complete a release the will permit the Employer to verify with the health provider the date/time of the screening and a positive/negative result on the screening test.*

38.04 Cost Sharing. *Employees shall be required to share in the cost of health care coverage up to the maximums permitted by the ACA. Effective March 1, 2013, the Employer shall contribute ninety percent (90%) and the employee shall contribute ten percent (10%) of the total base cost for health care, prescription, and ancillary benefits. For 2014, the Employer shall contribute eighty-five percent (85%) and the employee shall contribute fifteen percent (15%) of the total base cost for health care, prescription, and ancillary benefits. Effective January 1, 2015, the Employer shall contribute a maximum base amount of the total cost per employee, per coverage type, per month as set forth below, and participating employees shall contribute the minimum base amount as set forth (base costs computed from 2014 costs):*

For those Employees qualifying for Screening Reduction (2.5% reduction)

<i>Monthly Maximum January 1, 2015</i>	<i>Employer Contribution 2014 Cost</i>	<i>Monthly Minimum January 1, 2015</i>	<i>Employee Contribution 2014 Cost</i>	<i>Total Base Contribution 2014</i>
<i>Single</i>	<i>87.5%</i>	<i>Single</i>	<i>12.5%</i>	<i>2014 Total</i>
<i>Employee + 1</i>	<i>87.5%</i>	<i>Employee + 1</i>	<i>12.5%</i>	<i>2014 Total</i>
<i>Family</i>	<i>87.5%</i>	<i>Employee/Child(ren)</i>	<i>12.5%</i>	<i>2014 Total</i>

Base Contribution w/o Surcharge or Incentive

<i>Monthly Maximum January 1, 2015</i>	<i>Employer Contribution 2014 Cost</i>	<i>Monthly Minimum January 1, 2015</i>	<i>Employee Contribution 2014 Cost</i>	<i>Total Base Contribution 2014</i>
<i>Single</i>	<i>85%</i>	<i>Single</i>	<i>15%</i>	<i>2014 Total</i>
<i>Employee + 1</i>	<i>85%</i>	<i>Employee + 1</i>	<i>15%</i>	<i>2014 Total</i>
<i>Family</i>	<i>85%</i>	<i>Employee/Child(ren)</i>	<i>15%</i>	<i>2014 Total</i>

For Tobacco Users w/ Screening (5% surcharge less 2.5% credit= 2.5% surcharge)

<i>Monthly Maximum January 1, 2015</i>	<i>Employer Contribution 2014 Cost</i>	<i>Monthly Minimum January 1, 2015</i>	<i>Employee Contribution 2014 Cost</i>	<i>Total Base Contribution 2014</i>
<i>Single</i>	<i>82.5%</i>	<i>Single</i>	<i>17.5%</i>	<i>2014 Total</i>
<i>Employee + 1</i>	<i>82.5%</i>	<i>Employee + 1</i>	<i>17.5%</i>	<i>2014 Total</i>
<i>Family</i>	<i>82.5%</i>	<i>Employee/Child(ren)</i>	<i>17.5%</i>	<i>2014 Total</i>

For Tobacco Users w/ no Screening (5% surcharge)

<i>Monthly Maximum January 1, 2015</i>	<i>Employer Contribution 2014 Cost</i>	<i>Monthly Minimum January 1, 2015</i>	<i>Employee Contribution 2014 Cost</i>	<i>Total Base Contribution 2014</i>
<i>Single</i>	<i>80%</i>	<i>Single</i>	<i>20%</i>	<i>2014 Total</i>
<i>Employee + 1</i>	<i>80%</i>	<i>Employee + 1</i>	<i>20%</i>	<i>2014 Total</i>
<i>Family</i>	<i>80%</i>	<i>Employee/Child(ren)</i>	<i>20%</i>	<i>2014 Total</i>

Commencing in January 2015, any costs above the cumulative total of the Employer and employee base contribution amounts set forth above shall be paid fifty percent (50%) by the Employer and fifty percent (50%) by the participating employee. In the event that costs for coverage are reduced below the total base contribution amount, such savings shall be apportioned on the base contribution percentage to the Employer and to the employee. The parties recognize that employee affordability under the ACA will be measured based upon the cost of the bronze (i.e. lowest tier plan being offered) single plan and the employee's household income. Any employee who believes his contribution exceeds the maximum allowable by law may submit a written request for review to the Finance Director.

38.05 Health Care Committee. *A health care committee will be created for the purposes of monitoring and supporting the wellness program, and for reviewing*

usage, studying cost containment programs and options for health plan coverage (medical, hospitalization, dental, eye-care and prescription), and recommending changes to the plan and benefit levels. Once created, the Union agrees to participate in the committee. The committee shall consist of one (1) representative from each of the bargaining units, one (1) non-bargaining unit employee, and a number of management representatives of the Employer equivalent to or less than the total number of city bargaining unit representatives participating in order to allow for an odd number of voting representatives. The health care committee shall have the authority to recommend alterations to the plan and benefit levels and/or recommend adjustments to coverage levels through majority vote. The committee's authority will vest and begin with the 2015 plan year.

Specifically, the committee may recommend any of the following options:

- A. To keep the same plan and/or benefit levels and pass on any cost increase above the levels set forth in Section **38.04** of this article to the participating employees; or*
- B. To change the plan and/or alter the benefit levels to reduce or minimize the cost increase to be passed on to participating employees; or*
- C. To change the plan and/or alter the benefit levels so that there is no increase in the cost of the plan.*

Recommendations of the committee shall not result in costs to participating employees exceeding the maximum permitted by the ACA. A valid recommended option of the committee (A, B or C above) will be implemented by the City. Recommendations of the committee, and Employer actions to carry out those recommendations, are final and binding on all parties involved and shall not be subject to the grievance procedure or any other avenue of appeal. If, however, the committee fails to submit a valid recommendation by November 30 for the following plan year, the City may unilaterally select and implement one of the options (A, B or C above).

38.06 The Employer will ~~establish~~ **continue to make available** a voluntary Section 125 qualified cafeteria plan (flexible spending) for employees that meet IRS requirements for pre-tax preferences for qualified expenses.

38.07 ~~Wellness Program~~ **Recreation Center**: In order to promote wellness among City employees to encourage a healthier workforce, employees shall receive fifty (50%) percent off a single (employee only) membership to the Westlake Recreation Center.

38.08 Dental Coverage. ~~h~~ Effective July 1, 2011, the Employer shall contribute sixty (\$60.00) dollars per month to the Ohio AFSCME Care Plan for each employee who is covered by this Agreement for the AFSCME Care Plan Dental IV coverage.

ATTACHMENT A

For the 2013 and 2014 plan years, benefit levels shall be as follows:

a. Employee co-pay participation:

<u>Tier</u>	<u>80/20 limit</u>	<u>80/20 max out of pocket</u>
Single:	80/20 of max \$5,000 =	\$1,000.00
Employee + Spouse	80/20 of max \$10,000 =	\$2,000.00
Employee + 1:	80/20 of max \$10,000 =	\$2,000.00
Family:	80/20 of max \$15,000 =	\$3,000.00

The max out-of-pocket is for co-payment portion only. All other deductibles apply. Deductibles shall be: single – two hundred (\$200.00) dollars; employee + spouse – three hundred fifty (\$350.00) dollars; employee + dependent – three hundred fifty (\$350.00) dollars; and, family – five hundred (\$500.00) dollars.

b. Office visit participation:

- i. Fifteen (\$15.00) dollars per visit (not included in calculation of deductible or out of pocket maximum).
- ii. Non-emergency use of emergency room – seventy-five (\$75.00) dollars per visit.

c. Prescription co-pays:

- i. Generic (level 1) \$0 - only applicable to generics available from all discounted generic providers (\$4.00 will be reimbursed by City).
Generic (level 2) \$15.00
- ii. Formulary (preferred) \$30.00
- iii. Non-formulary - 30%/\$100.00 cap.

Employees shall continue to pay the difference when a name brand or formulary is selected over an available generic or formulary.

- d. Dental and eye care: The eye care plan shall be as follows: fifty (\$50.00) dollars maximum every two (2) years for an eye examination and one hundred fifty (\$150.00) dollars maximum every two (2) years for qualified prescription eye wear.
- e. Premium sharing: Employees shall be required to share in the employer's cost for premiums. Effective January 1, 2011, the premium sharing shall be ten (10%) percent of the total cost per employee per coverage type per month subject to the following monthly maximums: 2010 - – twenty-five (\$25.00) dollars; 2011 – seventy (\$70.00) dollars; and 2012 – one hundred (\$100.00) dollars.
- f. Specialist may be contacted directly. Referrals from the primary care physician are no longer required.

- g. Well child care and immunization coverage is provided so that children from birth to age two (2) are covered for a maximum of seven hundred fifty (\$750.00) dollars for the first twenty-four (24) months and children from age two (2) to twelve (12) are covered for a maximum of two hundred fifty (\$250.00) dollars per benefit period.

ARTICLE XLI
WAGES

41.01 ~~Minimum~~ Pay rates shall be as follows for the years specified:

	3/1/10;	3/1/11;	3/1/12
Crew Chief	\$21.50;	\$22.15;	\$22.81
Service Worker I	\$20.00;	\$20.60;	\$21.22
Service Worker II	\$18.00;	\$18.54;	\$19.10
Service Worker III	\$15.35;	\$15.81;	\$16.28
Mechanic I	\$20.00;	\$20.60;	\$21.22
Mechanic II	\$18.50;	\$19.06;	\$19.63
Operator	\$20.00;	\$20.60;	\$21.22
Dispatcher	\$14.50;	\$14.94;	\$15.38

~~or, a minimum of a three (3%) percent increase in the current hourly rate on March 1, 2011. and three (3%) percent on March 1, 2012 and as per attached wage schedule minimum pay rates are also starting rates; new hires at SW III will receive fifty (50¢) cents per hour increase over the minimum rate after one (1) year of service, and one (\$1.00) dollar per hour over the minimum rate after two (2) years of service, and at three (3) years of service will be promoted to a Service Worker II at the minimum rate.~~

A. Effective March 1, 2013, the wage schedule (range) shall be as follows (see MOU below for additional wage increases for each employee):

<i>Classification</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
Crew Chief	<i>17.88</i>	<i>21.36</i>	<i>24.83</i>
Equip. Operator	<i>17.35</i>	<i>20.72</i>	<i>24.10</i>
Service Worker I	<i>17.15</i>	<i>20.49</i>	<i>23.82</i>
Service Worker II	<i>15.91</i>	<i>19.01</i>	<i>22.10</i>
Service Worker III	<i>14.44</i>	<i>17.25</i>	<i>20.06</i>
Mechanic I	<i>18.20</i>	<i>21.74</i>	<i>25.28</i>
Mechanic II	<i>15.58</i>	<i>18.61</i>	<i>21.64</i>
Dispatcher	<i>12.01</i>	<i>14.35</i>	<i>16.68</i>

B. Effective March 1, 2014, bargaining unit members shall receive a 2% general wage increase and the wage schedule shall be as follows:

Classification	Minimum	Midpoint	Maximum
Crew Chief	18.06	21.57	25.08
Equip. Operator	17.52	20.93	24.34
Service Worker I	17.33	20.69	24.06
Service Worker II	16.07	19.20	22.32
Service Worker III	14.58	17.42	20.26
Mechanic I	18.39	21.96	25.54
Mechanic II	15.74	18.80	21.86
Dispatcher	12.13	14.49	16.85

C. Effective March 1, 2015, bargaining unit members shall receive a 2% general wage increase and the wage schedule shall be as follows:

Classification	Minimum	Midpoint	Maximum
Crew Chief	18.24	21.79	25.33
Equip. Operator	17.70	21.14	24.58
Service Worker I	17.50	20.90	24.30
Service Worker II	16.23	19.39	22.55
Service Worker III	14.73	17.59	20.46
Mechanic I	18.57	22.18	25.79
Mechanic II	15.89	18.98	22.08
Dispatcher	12.25	14.64	17.02

41.02. Wage Schedule Administration. The wage schedule is adjusted by half of the general wage increase to permit movement through the established wage ranges. Newly hired employees shall be hired at the entry rate. However, based on the employee's qualifications and prior experience, the Employer at its discretion may place a newly hired employee up to the mid-point of the pay range for the employee's position. Any employee currently paid an hourly rate that exceeds the maximum rate of pay for his pay grade shall have his wages frozen at his current hourly rate until such time as the maximum hourly rate exceeds his current hourly rate. Any employee who reaches the top range of the wage schedule shall still be eligible to receive lump sum merit payments pursuant to Section 41.05. In the event that an employee is promoted from one classification to another, he shall receive either the minimum rate for the range into which he is promoted or a five percent (5%) wage rate adjustment provided that such does not exceed the maximum rate, whichever is greater.

~~41.02~~ **41.03 Crew Leader Supplement.** Individuals selected to fill the position of crew leader shall receive the hourly rate established above for crew leader or sixty (60¢) cents

per hour above their normal hourly rate, whichever is greater. The period of time for the assignment of crew leader shall include anytime for planning the job and completing any necessary reports after the assignment is completed.

~~41.03~~ **41.04 Disciplinary Reductions**. In addition to other possible discipline, an employee subject to discipline as a result of conduct violating work rules, City Ordinances or other job related matters, may have their pay reduced by ~~a pay step~~ **ten percent (10%)** as the result of disciplinary action taken for serious misconduct by the employee which might justify a suspension in excess of three (3) days, termination or similar penalties at the sole discretion of the Employer.

~~41.04 Bid for openings in Bargaining Unit jobs shall be filled pursuant to Article 36 of the Union Contract.~~

41.05-41.07 moved in prior TA

~~41.08~~ **41.05** A Mechanic II may become a Mechanic I or an employee may be hired in as a Mechanic I upon becoming an ASE certified master automotive technician or medium heavy truck technician in the following areas: engine repair, automatic transitrans axle, manual drive train and axles, suspension and steering, breaks, electrical, electronic systems, heating and air conditioning and engine performance.

~~41.09~~ **41.06 Merit Increases/ Bonuses**: Merit raises may be given by the Mayor at his discretion at any time during a Contract year and shall be based on the following criteria: production; performance; and attendance. The Mayor has an open door policy. Employees shall be evaluated by their immediate supervisor, who shall submit the evaluations to the Service Director by February 15th of each year. The Director shall submit the evaluations to the Mayor by March 1st. The evaluations shall be in writing and shall include a recommendation as to whether or not the Director recommends the employee should be considered for a merit increase and, if so, the amount of the Director's recommended increase. Once recommended, the Mayor shall make a determination within thirty (30) days and shall provide the Director and employee with his decision. Any employee dissatisfied with the Mayor's decision may request a meeting with the Mayor to discuss his decision. The meeting shall be held as soon as practical. The Mayor's decision is at his discretion and is final and not appealable. ***Merit increases may be in the form of hourly adjustment or lump sum equivalents.***

New Section: Job Analysis Committee (JAC). Within sixty (60) calendar days from the ratification of the Agreement, the Employer and the Union shall meet in a labor/management forum to confer as often as needed in order to develop an understanding of the requirements for promotion from one classification to another. The intent of these discussions is for the Employer, with input from the Union, to communicate to employees in writing the requirements of each classification and what is necessary for promotion to different classifications. Included in these discussions will be the AFSCME staff representative and a participant(s) from HR.

MEMORANDUM OF UNDERSTANDING

Section 1. The parties agree that those bargaining unit members in the following classifications shall receive a fifty cents (\$.50) per hour wage rate adjustment within the wage schedule set forth in the parties Agreement effective March 1, 2013.

- a. Crew Chief***
- b. Equipment Operator***
- c. Service Worker I***
- d. Service Worker II***
- e. Mechanic I***
- f. Mechanic II***
- g. Dispatcher***

Section 2. Grandfathered Personnel/Prior Step System. Those employees occupying the Service Worker III classification shall be grandfathered into the prior Step schedule and shall receive adjustments as provided under the prior agreement, rather than those contained in 41.01(B) and (C) until such time as they reach the \$19.10 rate (SW II rate under the prior agreement). Upon reaching the \$19.10 rate, the employee shall be reclassified as a Service Worker II and receive the negotiated general wage increase for that year and subsequent years as may be applicable. This reclassification shall not be deemed as a promotion for purposes of additional compensation eligibility under 41.02.

TENTATIVE AGREEMENT

Any tentative agreements reached by the parties as well as any current language that is not changed or not addressed above shall be considered to be recommended in the successor Collective Bargaining Agreement.

The fact finder respectfully submits the above recommendations to the parties this ____ day of July 2013 in Portage County, Ohio.

Robert G. Stein, Fact finder