

Susan Grody Ruben, Esq.
Arbitrator, Mediator, Factfinder
30799 Pinetree Road, #226
Cleveland, OH 44124

**PURSUANT TO ORC 4117.14(C)
UNDER THE AUSPICES OF THE
STATE EMPLOYMENT RELATIONS BOARD**

IN THE MATTER BETWEEN)	
)	
CITY OF BEDFORD HEIGHTS)	FACTFINDER’S REPORT
and)	SERB CASE NOS.
FRATERNAL ORDER OF POLICE)	2013-MED-09-0959 and
LODGE 67)	2013-MED-09-0960

This Factfinding arises pursuant to Ohio Revised Code Section 4117.14(C). The Parties, The City of Bedford Heights (“the City”) and Fraternal Office of Police, Lodge 67 (“the Union”), selected Susan Grody Ruben to serve as sole, impartial Factfinder, whose Recommendations are issued below.

Hearing was held June 3, 2014 in Bedford Heights, Ohio. The Parties were represented by counsel and were afforded the opportunity for the presentation of positions and evidence. The Parties agreed this Report would be due on June 26, 2014.

APPEARANCES:

For the City:

Jon M. Dileno, Esq., Zashin & Rich Co., L.P.A., 55 Public Square, 4th Floor, Cleveland, OH 44113.

For the Union:

Robert M. Phillips, Esq., Faulkner, Hoffman & Phillips, LLC, One International Place, 20445 Emerald Parkway Dr., Suite 210, Cleveland, OH 44135.

FACTFINDER'S RECOMMENDATIONS

Statutory Criteria

In reaching recommendations on the open issues, the Factfinder has reviewed the Parties' submissions, and the evidence and positions presented at the Factfinding Hearing. The Factfinder has analyzed this information in the context of the statutory criteria found in Ohio Revised Code Section 4117.14(G)(7):

- a) Past collectively bargained agreements...between the parties;**
- b) Comparison of the issues submitted to final offer settlement relative to the employees in the bargaining unit involved with those issues related to other public and private employees doing comparable work, giving consideration to**

factors peculiar to the area and classification involved;

- c) The interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service;**
- d) The lawful authority of the public employer;**
- e) The stipulations of the parties; and**
- f) Such other factors, not confined to those listed...which are normally or traditionally taken into consideration in the determination of the issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution procedures in the public service or in private employment.**

Bargaining Units

There are two bargaining units. The patrol unit has 20 officers. The Promoted Unit has 6 officers. The Parties agreed the two units would bargain jointly.

Incorporated Articles

The Factfinder hereby incorporates into her Recommendations all provisions previously agreed to by the Parties.

Open Issues

1. Article VIII(1) – Annual Base Pay

Union Proposal

The Union proposes a 2.5% increase in each of the three years of the Agreement. This proposal is made on the basis that income tax revenues have increased by over \$1 million from 2010 to 2013. Additionally, a safety fund levy passed in 2011, which generates \$2.1 million annually. Moreover, the police officers are being asked to assume a greater share of health insurance costs; this should not occur without a reasonable set-off generated by wage increases.

The 2011-2013 contract contained modest wage increases – 1%, 1%, 1.5%. While those increases allowed the City patrol officers to slightly exceed the County-wide wage average for patrol officers, factored into that average are a number of police agencies that are not municipal departments and typically receive lower pay, e.g., CMHA and RTA. Using only relevant comparables, the City patrol, sergeants, and lieutenants are only mid-range; and those comparables' wage/benefit positions will be improving in the near future.

City Proposal

The City proposes 0%, 0%, 1%. This proposal is based on the fact the City is in a precarious financial position with a 2013-2014 cash carryover of only \$700,000 in a \$12.5 million budget. The City has been able to make ends meet only by virtue of a significant reduction in personnel over the past five years. Leading up to the 2008 recession and after it, the City lost major employers including Majestic Steel USA, Helix Corporation, and Fox International. In 2009, General Fund revenues were \$14.9 million; in 2011, they were \$13.4 million. The City laid off some employees in the Building Department and the jail. Also, through attrition from 2008-2013, the City cut 33 full-time and 37 part-time positions, reducing the total employment rolls from 277 to 207 employees.

The County and the federal government have decided to significantly reduce the number of inmates they had historically housed at the jail. This resulted in a revenue reduction of over \$700,000 from 2012 to 2013. General Fund revenues for 2013 were almost \$1 million less than in 2012. Even with an expense reduction of almost \$550,000 over that

same period, the City still had a structural deficit for 2013 of almost \$200,000.

For 2014, the City has projected a General Fund deficit of \$360,000 due to Olympic Steel salaried employees and continued reduction in jail revenues. The City projects an alarming end of 2014 balance of \$35,000.

A 1% increase City-wide would cost \$115,000 annually. With virtually nothing in its coffers, the City must strive to keep its personnel costs flat.

Factfinder's Recommendation

The record evidence shows the City is suffering from lost corporate headquarters and decreased jail revenues. Neither of these conditions appears likely to reverse. The 2011 safety forces levy, however, generates \$2.1 million annually. When voters pass a safety forces levy, it is reasonable to assume they do so with the expectation that safety force employees would benefit from that revenue.

Wages and health insurance costs are intrinsically tied. The City wants its employees to contribute a greater share of health insurance costs. Doing so causes employees' take-home pay to decrease. Combining that with a wage freeze puts employees in a disappointing

position. A 1% police wage increase would currently cost \$27,344 annually.

Considering all the relevant factors, the Factfinder recommends 1%, 1%, 1.5%.

2. Article VIII(2) – Rank Differentials

Union Proposal

The Union proposes to increase the rank differential from 13% to 13.5% on the basis that with the commander rank attritted out, greater responsibility has been given to promoted ranks.

City Proposal

Status quo.

Factfinder's Recommendation

The Factfinder recommends increasing the rank differential to 13.5% due to the greater responsibility given to promoted ranks by virtue of the commander rank having attritted out.

3. **Article VIII(3) – Longevity**

Union Proposal

The Union proposes removing caps on longevity by \$1000 per contract year.

City Proposal

Status quo.

Factfinder’s Recommendation

The Factfinder recommends status quo on the basis the current longevity benefit compares favorably to comparable municipalities.

4. **Article X(5) – Holiday Hours Calculation**

Union Proposal

The Union proposes basing holidays on 12-hour shifts, with a total of 10 holidays leading to 120 hours.

City Proposal

Status quo – 13 holidays based on 8-hour allotments, for a total of 104 hours.

Factfinder's Recommendation

The Parties entered into a September 23, 2011 Memorandum of Agreement which changed the Patrol Bureau's work schedule from 8-hour shifts to 12-hour shifts. Accordingly, for those employees who work 12-hour shifts, the Factfinder recommends having 9 holidays, at 12 hours each, for a total of 108 hours. Six holidays would be preserved for premium pay.

5. **Article X(6) – Priority Holiday Picks**

Union Proposal

The Union proposes permitting priority holiday picks to be made 7 days in advance, or less with the Chief's approval.

City Proposal

Status quo – priority holiday picks must be made 30 days in advance.

Factfinder's Recommendation

The Factfinder recommends permitting holiday picks to be made 14 days in advance. Such a compromise could benefit employees, and would be manageable for the City.

6. **Article XI – Health Insurance**

Union Proposal

Status quo, but for increasing the employee premium contribution from \$90 per month to \$125 per month.

City Proposal

The City proposes a significant revamp of the health insurance program, with employees bearing significantly more of the cost and risk.

Factfinder’s Recommendation

No one disputes the employees have been enjoying Cadillac health insurance coverage. The City contends it can no longer keep benefits at that level. The question is how much to revamp the health insurance program at this time.

The Factfinder recommends a health insurance program that does not increase costs to employees as much as the plan proposed by the City.

The Factfinder recommends that the employee and family costs of the new health plan be one-third less than the employee and family costs attached to the City’s current proposal.

7. **Article XIII – Line of Duty Injury Leave**

Union Proposal

Status quo.

City Proposal

The City proposes placing restrictions on what kind of injuries qualify as line of duty injuries. The City also proposes reducing line of duty injury leave from 180 days to 90 days, with an optional additional 90 days granted at the City’s discretion.

Factfinder’s Recommendation

The Factfinder recommends keeping line of duty injury leave at 180 days, but limiting it to:

injuries received as the direct result of hazardous duties uniquely performed by safety forces; i.e., line of duty injury leave shall not apply to injuries received as the direct result of a general work activity, e.g., slipping on the floor of the Police Department bathroom or getting into a police cruiser in the Police Department parking lot, but shall apply to, e.g., an automobile accident occurring during the course of a high speed chase or controlling a domestic violence situation.

8. **Article XV – Funeral Leave**

Union Proposal

Add aunts and uncles of employee and spouse.

City Proposal

Status quo.

Factfinder's Recommendation

Add aunts and uncles of employee and spouse.

**Dated: June 26, 2014 Susan Grody Ruben
 Susan Grody Ruben, Esq.
 Factfinder**

This Report was served upon the following persons by electronic mail on the 26th day of June, 2014:

SERB Email: med@serb.state.oh.us

Jon Dileno: jmd@zrlaw.com

Robert Phillips: Phillips@fhplaw.com

Susan Grody Ruben, Esq.
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Invoice

June 26, 2014

To: City of Bedford Heights
FOP Lodge 67

Re: Factfinding

1 Day of Factfinding	...	\$ 950.00
1 Day of Study and Writing	...	<u>\$ 950.00</u>
TOTAL	...	<u>\$1900.00</u>
½ to be paid by the City	...	\$ 950.00
½ to be paid by the Union	...	\$ 950.00

Thank you.