

STATE EMPLOYMENT RELATIONS BOARD
CASE NO: 13 -MED-10-1269

2015 JUN 22 PM 2:16

In The Matter Of the Fact -Finding Between:

THE CITY OF BEDFORD HEIGHTS)	(Correction Officers)
)
-AND-)
)
OHIO PATROLMEN'S)
BENEVOLENT ASSOCIATION)

ATTENDANCE:

For The City

Jon Dilenno, Esq.,	Attorney
Ted Gordon	Finance Director
Mike Mrotta	Police Chief
Dave Leonardi	Assistant Chief

For The Association:

Kevin Powers, Esq.,	Attorney
James Jones	Director

 BEFORE ALAN MILES RUBEN, FACT -FINDER

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BACKGROUND:

The City of Bedford Heights, is located in Northeastern, Ohio, south of the City of Cleveland .

Bedford Heights encompasses some 4.54 square miles and has a resident population of 10,693 (2013 estimate).

The City's Police Department not only provides crime prevention and detection services, but also operates the municipal jail. Many of the inmates housed in the Bedford Heights jail had been arrested by the Cuyahoga County Sheriff and Federal law enforcement agencies. Contracts with these Agencies generate significant revenue for the City.

The City's fourteen employees in the classification of full-time Correction Officer and Officer-in-Charge are members of a Bargaining Unit exclusively represented by the Ohio Patrolmen's Benevolent Association.

The City and the Association were parties to a Collective Bargaining Agreement entered into as of January 1, 2011 for an initial term of three years.

In March of 2014, representatives of the parties met on three occasions to bargain a successor Agreement. In October a tentative agreement on a new Contract was reached, but the proposed Contract was overwhelmingly rejected by the Bargaining Unit.

As a result, the parties have tentatively agreed only to carry forward and incorporate into the new Agreement, mutatis mutandis, all other Articles, Appendices, Memoranda of Agreement and Exhibits from the 2011 Contract which are not subject to the proposals for change which have been set forth below.

The Fact-Finder finds appropriate and recommends the retention and incorporation of all of those provisions into the successor Contract.

A series of Association and City proposals to add new provisions and to amend Articles and Sections of Articles of the 2011 Contract, other than those set forth below, were withdrawn, and are deemed to have been abandoned.

Remaining in dispute are proposed amendments to eleven Articles as set forth below.

Impasse was declared, and on March 4, 2014, the undersigned was appointed Fact-Finder by the State Employment Relations Board to conduct the fact-finding proceedings.

Timely in advance of the hearing, the parties provided the Fact-Finder with the statements required by Ohio Administrative Code 4117-9-05(f) and Ohio Revised Code, Section 4117.14(C)(3)(a).

At the direction of the parties the fact-finding hearing was held on December 5, 2014 at the Bedford Heights City Hall .

The Fact-Finder attempted mediation, but was unsuccessful in bringing the parties to terms .

At the evidentiary portion of the hearing, the City provided budgetary information, and an analysis of the financial impact of the Association's Base Pay proposal on the City budget.

The City also tendered an economic analysis which set forth the history of the City's revenues and expenditures for the four year period, 2010-2013, as well as projections for 2014.

Among other documentary materials, the City included the State Employment Relation Board's 2014 Health Insurance Report, and a comparison of the compensation paid Correction Officers in other jurisdictions. In addition, the City included excerpts from the Contracts reached with other Bargaining Units.

The Association, in its turn, submitted time series depicting the changes in Correction Officers' wages, and increases in the Consumer Price Index. The Union also presented data on employee health insurance contributions.

Both the City and Association called witnesses to testify in support of their respective proposals.

The parties declined to submit post-hearing briefs, and, at the end of the day, the Fact-Finder declared the hearing closed.

In consideration of the discharge cases on the Fact-Finder's docket which were scheduled to close earlier, the Parties graciously consented to extend the time within which the Fact-Finder might issue his Report and Recommendations.

In making his analysis of the evidence, and his recommendations upon the unresolved issues, the Fact-Finder has been guided by the factors set forth in O.R.C. Section 4117.14(C)(4)(e) and the Ohio Administrative Code Section 4117-9-05(K) namely:

"(a). Past collectively bargained agreements, if any, between the parties;

"(b). 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;

"(c). The interest 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). Any stipulation of the parties;

"(f). Such other factors, not confined to those listed above, which are normally or traditionally taken into

consideration in the determination of the issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment".

THE FACT-FINDER'S REPORT:

UNRESOLVED ISSUES:

1. Article VII, Section 1 - WAGES:

A. The Expired Contract:

The Correction Officers current Annual Base Hourly Pay is set forth below:

"Section 1: Annual Base Pay: Employees covered by this Agreement shall receive the following hourly compensation based upon the date they began full-time employment in the Department of Corrections, which shall be known as Base Pay :

"...

<u>"Effective 01/01/13</u>	<u>Start</u>	<u>Six Months</u>	<u>One Year</u>	<u>Two Years:</u>
<u>"(1.25%)</u>				
"Officer in Charge	18.52	19.96	21.36	22.78
"Corrections Officer	16.37	17.80	19.23	20.62

[In each of the two preceding years the hourly rates had been increased by one (1%) percent. In addition, employees were eligible for "longevity" increases after three years of service ranging from 2% to 4.5%]

B. The City's Proposal:

The City seeks to maintain the current Base Pay compensation levels for members of the Bargaining Unit without change through calendar year 2014. It offers a 1.5% increase in base wages effective on January 1, 2015, and a 2% increase effective as of January 1, 2016.

C. The Union's Proposal:

The Union demands a 2.5% increase effective as of January 1, 2014, and additional annual increases of 2.5% effective as of January 1st in each of the two succeeding years.

D. THE FACT-FINDER'S ANALYSIS, FINDINGS AND RECOMMENDATION:

The City contends that its financial position does not permit the wage increases sought by the Union, nor does the relative compensation of Bargaining Unit members, vis a vis the wages paid to Correction Officers in other comparable Departments justify such increases.

The Association responds that its recent wage increases have not kept up with inflation and the City's

proposal is less than that offered to other Bargaining Units.

(i) The City's Financial Position:

Correction Officers' compensation is paid from the General Fund. In 2011 the General Fund receipts amounted to some \$13,493,400.00. But by 2013, revenues had declined to \$12,288,000.00. For 2014, the City estimates that receipts will fall an additional \$360,000.00, while the total expenditures will amount to \$12,675,891.00.

The General Fund's unencumbered carry-over balance has steadily declined. Although the carryover to begin in 2014 was \$788,876.00, the City predicts that the Fund will begin 2015 with a carryover of only some \$35,000.00.¹ The City claims that the expected carry-over represents an unacceptably small cushion in light of its expected \$12.7 million dollar 2015 budget.

The City has dealt with the revenue loss by reducing expenditures. Recently, two full-time employees - one

¹In addition to the General Fund the City does maintain a separate "Rainy Day" fund of approximately \$1,000,000.00.

from the Building Department and one from the Economic Development Department - were laid-off. Thirty-three full-time and thirty-seven part-time positions have been eliminated through attrition, so that the City's total workforce has been reduced from 277 employees to 207.

The decline in the City's revenues was partly the result of the recent Recession, and partly the consequence of the cut in the State's contribution to the Local Government Fund, and the repeal of the Commercial Activity and Estate taxes. The City's primary revenue source - the City income tax - reflects the fact that the estimated median resident's household income in 2011 was only \$37,266.00 compared to the State-wide average of \$45,749.00. The income of fourteen percent of City residents was below the poverty level.

So too, property tax receipts reflect the fact that its 2013 residential property valuation averaged some \$17,000.00 less per dwelling than the Ohio average of \$129,600.00.

The City also took a financial hit when one of the City's largest employers, Olympic Steel, moved its corporate offices from the City, taking with it a number of high-paying jobs .

As noted, the City's jail has been a significant source of income over the years, housing prisoners transferred from Cuyahoga County and the Federal Government under net revenue generating Contracts. However, both Cuyahoga County and the Federal Government announced decisions to significantly reduce the number of their prisoners to be housed at the City's jail. In 2013, payments from the County and Federal Governments for housing their prisoners were approximately \$700,000.00 less than the amount received i n 2012 .

The reduction in the number of inmates transferred from the County and the Federal Government was primarily responsible for the reduction of the Bargaining Unit from twenty-six full-time Correction Officers in 2007 to seventeen full -time employees in 2013.

A Fact-Finding Report issued to resolve a dispute between the City and its Patrol Officers Unit confirmed that the City had suffered a financial hardship from the lost corporate headquarters and the decreased jail revenues. Neither of these conditions is likely to be reversed.

On the other hand, a 2011 earmarked Police Levy passed, and has generated some \$2.1 million annually.

The Association submitted an analysis of the City's financial condition prepared by Mary Schultz, CPA., CFE, from the firm of Sargent & Associates which presented a more upbeat picture of the City's "ability to pay".

The Sargent's analysis acknowledged the decline in General Fund Revenues.² However, the balance in the Contingency Fund (Rainy Day Fund) as of January 1, 2014 was \$1,023,000.00 so that the combined available funds

²The Sargent's Report also noted that the Corrections Department currently operates on a budget that is approximately \$234,000.00 smaller than that which it was given in 2010.

to meet any operating expense shortfall amounted to \$1,982,000.00 or 16% of 2013 expenditures.

The Government Finance Officers Association recommends that a carry-over reserve balance should equal two months of estimated expenditures, or 16%. Smaller communities, such as Bedford Heights, which lack a diversified revenue base and whose expenditures are more volatile than those of larger government units, are especially encouraged to maintain this level of reserves.

Income taxes represent 60% of the total General Fund income, and income tax collections for the seven month period ending July 31, 2014, amounted to \$4,954,000.00, exceeding the City's estimate for that date by some \$389,000.00. This improvement suggests that, as a result of the continuing economic recovery from the Recession, income tax collection for all of the 2014 will likely significantly exceed the City's 2014 estimate. The Report concludes that income tax revenues have risen from \$7,161,000.00 in 2010 to \$8,187,000.00 in 2013, offsetting the loss of the Estate Tax and the decline in

the amount of Local Government Funds received from the State.

On the expenditure side, the Report points-out that the earmarked Safety Forces Levy relieves the General Fund from funding most of the Police Department's budget.

(ii) Comparative Wages and Other Factors:

Although the City had budgeted a base wage increase for Correction Officers in 2014, it now proposes a zero increase for that year.

Under the prior three year Contract Correction Officers received a total raise of only 3.5% which was less than the rate of inflation as measured by the Consumer Price Index, so that their real income has declined.

The Union urges that each 1% wage increase for Correction Officers, including all "roll-ups", would result in an additional cost to the City of only \$10,704.00.

The City insists that the Correction Officers total compensation, as measured by the top level hourly wage,

longevity, uniform allowance, and shift differentials, is above the average earned by Correction Officers in eleven jurisdictions deemed comparable (viz, Brooklyn; North Olmsted; Euclid; Lakewood; North Royalton; Broadview Heights; Strongsville; Parma; Cleveland; East Cleveland and Cuyahoga County.) The average compensation in the eleven jurisdictions amounted to \$38,233.00. Correction Officers in only three Cities - Euclid, North Olmsted and Brooklyn - receive more. (Euclid offers \$46,056.00; North Olmsted pays \$46,605.00 and Brooklyn provides \$55,086.00).

D The Fact-Finder's Analysis, Findings and

Recommendation:

The Fact-Finder notes that the City has reached agreement with its Patrol and Promoted Officers (Sergeants and Lieutenants) Units, represented by the Fraternal Order of Police, Lodge No. 67, for a Contract covering January 1, 2014 through December 31, 2016, which provides for a 0% increase for calendar year 2014, a 2.5% increase in 2015 and a 2% increase effective as of January

1, 2016. The same pattern of wage increases has been agreed upon by the employees of the Public Service and Water Reclamation Departments (represented by the International Brotherhood of Teamsters, Local No. 436,) and the Unit of full-time Clerks and Secretaries, represented by Fraternal Order of Police, Ohio Labor Council, Inc.

The Fact-Finder, after evaluating the financial resources of the City as of the first half of 2014, and estimates of a modest improvement for 2015, and reviewing the external and internal comparability information, finds appropriate and recommends that base pay rates of Correction Officers be initially increased by 2.5% effective as of January 1, 2015 and subsequently increased by 2% effective as of January 1, 2016.

The City has not shown that Correction Officers should receive less, and the Association has not shown that they should receive more.

Accordingly, the Fact-Finder recommends that Article VII, Section 1 be amended to read as set forth below, and

as so amended carried forward and incorporated into the successor Contract:

"Section 1. Annual Base Pay. Employees covered by this Agreement shall receive the following hourly compensation based upon the date they began full-time employment in the Department of Corrections, which shall be known as 'Base Pay' "

"Effective 01/01/14 Start Six Months One Year Two Years:
 "(0.00%)

"Officer in Charge	18.52	19.96	21.36	22.78
"Corrections Officer	16.37	17.80	19.23	20.62

[In each of the two preceding years the hourly rates had been increased by one (1%) percent. In addition, employees were eligible for "longevity" increases after three years of service ranging from 2% to 4.5%]

"Effective 01/01/15 Start Six Months One Year Two Years:
 "(2.50%)

"Officer in Charge	18.98	20.46	21.89	23.35
"Corrections Officer	16.78	18.25	19.71	21.14

"Effective 01/01/16 Start Six Months One Year Two Years:
 "(2.0%)

"Officer in Charge	19.36	20.87	22.33	23.82
"Corrections Officer	17.12	18.62	20.10	21.56

2. Article IX - "Health Insurance":

A. The Expired Contract:

The 2013 Contract adopted "Medical Mutual's "Super Med Plus" Health Insurance Plan. All employees were required to pay 8% of the premium for "single" or "family" coverages up to a monthly "cap" of \$90.00. For "in-network providers" there was 100% co-insurance with a

deductible of up to \$1,500.00 for single coverage and \$3,000.00 for family coverage. Office visits required only a \$15.00 co-payment. Under the Plan, a thirty-day supply of generic prescriptions cost an employee \$10.00. The employee cost increased to \$20.00 for a formulary drug, and to \$30.00 for a non-formulary drug. Under the mail order program, a ninety-day supply required employee co-payments of \$25.00 for generic drugs, \$50.00 for formulary drugs and \$75.00 for non-formulary drugs.

B. The City's Proposal:

Effective as of January 1, 2015, the City would eliminate the \$90.00 cap on monthly employee premium contributions, impose a \$500.00 yearly deductible for "in-network" single coverage and \$1,000.00 deductible for family coverage and reduce the co-insurance to 90%. Employees would be responsible for "out-of-network" services at double the in-network share.

Emergency room services would require a co-payment of \$100.00 and then be eligible for 90% "co-insurance". Office visits to a primary care physician would continue

to require a co-payment of \$15.00. An office visit to a specialist would require a \$30.00 co-payment and a visit to an "urgent care center" would require a co-payment of \$35.00. The employee responsibility for any additional physician charge would be 10% .

The new schedule of prescription drug co-payments would still require \$10.00 for generic drugs; but \$25.00 for name brand formulary drugs and \$40.00 for name brand, non-formulary drugs. Ninety-day mail order prescriptions would require corresponding co-payments \$25.00, \$60.00 and \$90.00.

Finally, the Employer's proposal would require that if an employee's spouse had health insurance coverage available through the spouse's employer, but chose to be covered under the City's plan, the employee would be assessed an additional \$100.00 per month.

C. The Union's Proposal:

The Union seeks to retain the healthcare provisions of the expired Contract witho ut change .

D. The Fact-Finder's Analysis, Findings and

Recommendation:

The Correction Officers have enjoyed an extremely rich health insurance benefit plan with unusually small contributions towards the cost. The City asserts that as medical costs continue to escalate, it is no longer feasible for the City to bear the present cost burden.

The State Employment Relations Board's 2014 Annual Report on the Cost of Health Insurance in Ohio's Public Sector discloses that the average monthly premium charge for medical and prescription drug coverage increased by 5.0% for single coverage and 4.5% or for family coverage.

On average, employees contribute \$72.00 a month for single coverage and \$199.00 for family coverage, an increase of approximately 12% since the 2013 survey.

The City has already entered into Contracts for a three year term commencing on January 1, 2014 with its full-time Clerks and Secretaries, employees of its Water Reclamation and Public Service Departments, its Patrol Officers, and its Police Sergeants and Lieutenants.

Their Contracts all provide for the health insurance changes advocated here by the City.

The Fact-Finder believes that it makes good sense for an Employer to maintain a single, unified health insurance program for its employees, not only in order to reduce administrative costs, but also, to avoid the tendency towards over-utilization by the most favored group of employees and the concomitant subsidization by the employees who bear a greater share of the cost of the insurance.

In the present case, the Fact-Finder's recommendation for an increase in wages more than offsets the additional cost to employees proposed by the City.

Accordingly, the Fact-Finder finds appropriate and recommends that of the City's proposal for changes to Article IX, Section 1 as set forth below be adopted and incorporated into the successor Contract:

"Article IX - Hospitalization and Life Insurance:

"Section 1. (a) The city will make available group insurance benefits to full-time employees through Medical Mutual, or equivalent benefits provided by another carrier consistent with the health care plan attached

hereto as Exhibits "A" and "B". All employees shall contribute eight percent (8%) of the premium for family health insurance and eight percent (8%) of the premium for single health insurance. All employees shall contribute towards the premium for either single or family health insurance. In addition, employees will be required to make co-pays as specified in attached Exhibit 'A'. The City shall create a Section 125 plan which will permit the City to make contributions on a pre-tax basis.

"(b) Newly-hired employees will be provided group insurance benefits upon completion of their insurance enrollment period or a period of three (3) months of continuous active service, whichever comes first.

"(c) The City will provide Dental Insurance in accordance with attached Exhibit 'B'.to all eligible employees the Health Care Benefit Plans, Dental Insurance (currently provided benefits or benefits of the same overall level or greater) and Vision Care benefits with employee contributions as noted above. Prescription co-pays shall be in accordance with Exhibit 'C', attached". [Exhibits 'A', 'B' and 'C' are copies of the Exhibits attached to the current Patrol Officers' Contract, and will be concurrently faxed]

"(d) Effective upon the execution of this Contract, where an employee's spouse has coverage available through his/her employer, and the spouse remains covered under the City's plan, the employee shall be assessed an additional \$100.00 per month ".

3. Article X, Section 6 "Injury Leave":

A. The Expired Contract:

Article X, Section 6 of the 2011 Contract provides for a continuation of monthly salary payments to an

employee disabled as a result of the performance of duties as a Correction Officer up to 180 calendar days.

B. The City's Proposal:

The City would reduce the maximum duration of the benefit from 180 to 120 days, with employees having the opportunity to request an extension which would be granted at the sole discretion of the City. The City also seeks to limit the benefit to injuries which occur during the performance of duties peculiar to the occupation - i.e. altercations with inmates.

C. The Union's Proposal:

The Union seeks to maintain Article X, Section 6 without change.

D The Fact-Finder's Analysis, Findings and

Recommendations:

Fortunately, Correction Officers have not suffered a significant number of Workers' Compensation related injuries. The most recent one happened when a Correction Officer slipped and fell while walking away from the water fountain.

Employees who are injured on the job are eligible for Workers' Compensation benefits and the City seeks to limit "compensated leave" to injuries occasioned by those risks which are peculiar to the occupation. Thus, in the Patrol Officers' current Contract, the monthly benefit is limited to employees injured as a result of an automobile accident which happened during the course of a high-speed chase; a fight; while making an arrest, controlling a domestic violence situation; the use of a firearm or other dangerous weapon," being struck by a vehicle while performing traffic control duties or any injury as "determined by the City to be the result of a hazardous type circumstance".

The Patrol Officer Contract also reduced the salary continuation period to 120 days.

The Teamsters Union has agreed in its recent Public Service and Water Department Employees' Contract to eliminate the salary continuation benefit entirely.

The narrowing of the salary continuation benefit to injuries which are peculiar to the performance of

Correction Officers duties, in particular to those resulting from assaults by inmates is reasonable. Ordinary accidents, such as those resulting from a slippery floor, are appropriately processed under Workers' Compensation.

The reduction of salary continuation benefits to 120 days, as agreed to by the Police Patrol and Promoted Officers Unit, is also reasonable. The need for a longer period would most appropriately be treated under a disability insurance policy.

Accordingly, the Fact-Finder finds appropriate and recommends that Article X, Section 6 be amended to read as set forth below, and as so amended carried forward and incorporated into the successor Contract:

"Section 6 - Line of Duty Injury Leave: An employee who is disabled as a result of an altercation with one or more inmates, if such disability prevents the employee from performing assigned Correction Officer duties shall be paid the regularly monthly salary during the continuance of such disability, but for a period not to exceed 120 calendar days from the date that such disability was incurred less, however, any sums paid as benefits to such disabled employee by any pension fund established by the City and the Workmen's Compensation Fund of the State subject, however, to the following conditions and provisions:

"(a) A certificate of the attending physician or surgeon certifying the disability and the cause thereof shall be filed with the Safety Director within ten days of the date of injury. The Safety Director shall have the right to designate a physician and/or surgeon at any time to examine the applicant at any time during such disability and, upon request, shall have access to, and copies of, all medical, hospital and x-ray reports connected therewith...." [All other paragraphs of Section 6 to be carried forward without change and incorporated into the successor Agreement]

4. Article VI, Section 5 - "Hours of Work":

A. The Expired Contract:

The 2011 Contract offers "time and one-half" pay for employees required to work on any of eleven holidays, plus two "personal days".

B. The City's Proposal:

The City seeks to reduce the number of "premium pay" holidays to six, viz, "New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas".

C. The Union's Proposal:

The Union seeks to maintain the current Contract language.

D. The Fact-Finder's Analysis, Findings and

Recommendations:

The City's proposal would limit premium pay to those holidays which it suggests are "generally celebrated with family and friends". This notion seems out of touch with present day reality. For example, some Correction Officers will want to attend public events celebrating Martin Luther King Day. Some will want to participate in church services on Good Friday. Some will want to participate in the Veterans Day parade.

Employees in Bargaining Units which have entered into Contracts with the City for the 2014 through 2016 period continue to receive time and one-half their regular rate of pay if they are required to work on any of the holidays listed in their Contracts.

Thus, the current Patrol Officers' Contract continues to provide the premium pay benefit for Officers required to work on any of the eleven listed holidays, plus two "personal days".

The Fact-Finder sees no persuasive reason to single-out Correction Officers for reduction of this bargained for benefit.

Accordingly, the Fact-Finder finds appropriate and recommends that Article VI, Section 5 be carried forward without change and incorporated into the successor Contract.

5. Article VIII, Section 4 - "Selection of Vacation":

A. The Expired Contract:

The current Contract permits employees to decide upon the dates of their vacation up to January 31st of the year in which the vacation is to be taken, and allows up to one vacation week to be split into single days.

B. The City's Proposal:

The City would require vacation selections be made prior to December 31st of the preceding year, and require all vacation time to be taken in one week blocks.

C. The Union's Proposal:

The Union seeks to maintain current Contract language.

D. The Fact-Finder's Analysis, Findings and Recommendation:

The Fact-Finder believes that it is reasonable for the Employer to require employees to make their annual vacation time selection by the end of the preceding year so as to facilitate work force scheduling.

No explanation was offered as to why Correction Officers need the additional month within which to make their selection. Indeed, the Union does not claim that the earlier selection deadline would be unduly burdensome.

On the other hand, the City has not shown why allowing one vacation week to be split into single days has created scheduling problems. The Chief retains the authority to change vacation allotments as necessary.

Accordingly, the Fact-Finder finds appropriate and recommends that Article VIII, Section 4 be amended as set forth below, and as so amended, carried forward and incorporated into the successor Contract:

"Section 4 - Selection of Vacations: Each December, each employee, in order of seniority, shall specify on a list provided by the City the weeks (maximum of two (2) weeks) he or she desires to take-off for vacation in the year next following. Separate vacation lists shall be provided for each shift. No more than one (1) employee

per shift shall be allowed off for vacation at any one time. After all employees have been provided the opportunity to select their initial two (2) week vacation period, those employees entitled to additional weeks of vacation shall choose, one (1) week at a time, from the available weeks remaining on the vacation list for his or her shift. Such procedure shall be followed until all employees have exhausted their vacation entitlement. Employees may hold a maximum of one (1) week of vacation per year to be split into single days. All selections must be made prior to December 31st of each year. As indicated, vacations, insofar as practicable, will be granted according to employee requests. However, the Police Chief or his designee shall have exclusive authority to allot vacation periods and to change such allotments".

6. Article X, Section 3, "Payment of Sick Leave on Retirement":

A. The Expired Contract:

The 2011 Contract provided that upon termination of employment, employees with ten or more years of service may cash-out their accumulated sick leave and receive a payout equivalent to one-third of their accumulated sick leave hours.

B. The City's Proposal:

The City seeks to maintain the current Contract language.

C. The Union's Proposal:

The Union would allow employees to sell back unused sick leave each year at a 50% payout equivalent using the current years' base pay rate and also allow employees upon termination of employment to cash-out their remaining sick leave allotment and receive a payout equivalent to 50% of the hours remaining.

D. The Fact-Finder's Analysis, Findings and Recommendations:

The shrinkage of inmates at the City's jail over the past couple of years and the possibility that the jail may be closed entirely and its function transferred to the County or consolidated with that of another entity, is a realistic concern of Correction Officers.

In common with the Correction Officers expired Contract, the Clerks and Secretaries and Public Service and Water Departments' Contracts permit employees to accrue sick leave at the rate of 4.6 hours per 80 hours worked, but unlike the Correction Officers' Contract, permit the cash-out of accumulated Sick Leave at termination of employment at the 50% rate.

The Fact-Finder notes that the Firefighters, Patrol and Promoted Officers' Contracts have both an annual "cash-out, and a separate cash-out provision upon termination". However, these Contracts use a formula to calculate the pay-out wage rate to take into account the fact that the wage rate had varied from year-to-year as the hours were accumulated. Moreover, both Police Contracts accrue sick leave at the lesser rate of 3.1 hours per eighty-hours worked. The Association rejects both of these limitations .

In view of the possible lay-off of Correction Officers, the Fact-Finder believes a more favorable pay-out on termination is warranted. But he concludes that an annual cash-out should not be allowed because the Union rejects the lower accrual rate and base wage calculation associated with this benefit in the Police Contract.

The Fact-Finder finds appropriate and recommends that the successor Contract provide for the cash-out of accumulated sick leave upon termination of employment at

the ratio of one hour for every two hours of unused sick leave. The recommended Contractual text is set forth below:

"Section 3 - Payment of Sick Leave upon Retirement:

"At retirement, layoff, death, dismissal or resignation, an employee with ten (10) or more years of service shall be permitted a maximum payout of accumulated sick leave at a ratio of one hour of base pay for every two hours of accumulated sick leave. For example, if an employee has accumulated 1,000 hours of sick leave, he/she will be eligible to receive a payout equivalent to 500 current base pay hours."

7. Article VI, Section 4 "Overtime":

A. The Expired Contract:

The 2011 Contract provided for time and one-half an employee's regular base rate, including longevity for hours worked in excess of eight (8) hours in a day.

B. The City's Proposal:

The seeks to eliminate the premium pay for hours worked in excess of eight hours in a day and provide premium pay only when the number of hours worked in a given week exceeds forty hours.

C. The Union's Proposal:

The Union seeks to maintain the status quo.

D The Fact-Finders Analysis, Findings and

Recommendation:

Payment of overtime for hours worked in excess of a normally scheduled eight hour shift is standard in both private and public sector employment. Social events are planned in advance based upon the expectation that an employee will be available before and after the employee's regularly assigned eight hour daily shift. Premium pay is paid for the inconvenience experienced by an employee who is required to work other than on the regularly scheduled eight hour shift.

The City argues that its proposal is only "an effort to curb sick leave usage". If an employee misses a day due to sick leave and then has to work a twelve hour shift, the employee gets overtime. There is therefore an incentive to use sick leave. The City's proposal "would only impact those employees calling-in sick and then working an extended shift during the same workweek".

But, the City's proposal is not so limited. As drafted it would preclude any employee from receiving premium pay for working more than eight hours on a shift, regardless of whether the employee had called-in sick during the workweek. Not every employee who is required to work longer than a regular eight hour shift had been absent during the week.

The Fact-Finder takes note that the recently negotiated Contract between the City and the Fraternal Order of Police, Lodge No. 67 representing a Unit of Patrol Officers, effective as of January 1, 2014 for an initial term of three years, still compensates employees for "hours worked in excess of eight hours in a day or forty hours per week, but not both".

The City offers no justification for singling out this Bargaining Unit for elimination of this premium pay benefit.

Accordingly, the Fact-Finder finds appropriate and recommends that Article VI, Section 4 be carried forward

without change and incorporated into the successor agreement.

8. Article XII, Section 1 - "Clothing Allowance":

A. The Expired Contract:

The 2011 Contract provided an annual allowance to employees so that they may purchase their prescribed uniform items and receive reimbursement upon presentation to the Police Chief of a proper receipt for such expenditures .

B. The City's Proposal:

The City seeks to provide "purchase vouchers" to employees for the acquisition of uniforms and safety equipment and so eliminate the employee purchase - reimbursement procedure. The vouchers would be presented at merchants designated by the Chief.

C. The Union's Proposal:

The Union seeks to retain the present arrangement.

D. The Fact-Finder's Analysis, Findings and Recommendation:

The City wants to provide purchases vouchers or "orders" enabling employees to patronize specified merchants who would then charge the City directly. This is the procedure prescribed in the current Patrol Officers' Contract. This procedure would decrease cost because the City would not be subject to the sales tax on the purchases.

The Union resists any change because Correction Officers prefer to go to a merchant of their own choosing who carries preferred brands.

Employee preferences can be accommodated by expanding the list of merchants with whom the City contracts to accept purchase vouchers so as to include recommendations made by the Union after consultation with its members.

Accordingly, the Fact-Finder finds appropriate and recommends that Article XII, Section 1, Paragraph (a) be

amended to read as follows , and a new Section 4 be added as set forth below :

"Section 1:

"(a) Clothing Allowance: Effective as of January 1, 2015 each full-time Correction Officer shall receive a purchase order designated for the purchase of regularly prescribed uniform and equipment . Such purchase order shall be valued at a maximum of \$400.00 in any twelve month period, provided that the maximum allowance for all new appointees during their first year of service shall be in such amount as is approved by the Chief to provide sufficient adequate uniforms and equipment. All such uniforms and equipment shall be purchased by the employee at stores and/or vendors approved and designated by the Chief.

"All new appointees during their first year of service shall be provided with adequate uniforms and equipment which shall include five long-sleeved shirts, five short-sleeved shirts, and f ive pairs of uniform pants.

...

"Section 4: The Union shall submit a list of up to five merchants at which, or from whom, the Correction Officers may purchase uniform items, and the Chief shall endeavor to arrange that the purchase orders will be accepted at such merchants " .

9. Article VII - "Officer-in-Charge":

A. The Expired Contract

The 2011 Contract provided that a Correction Officer who is designated to be a temporary "Officer-in-Charge"

will be paid the base Officer-in-Charge rate of pay for hours worked as an acting "OIC, and that temporary promotions to OIC will be based on seniority".

B. The City's Proposal:

The City proposes that temporary promotions to Officer-in-Charge status will be made by the Chief without regard to seniority.

C. The Union's Proposal:

The Union seeks to maintain the Officer-in-Charge appointment process without change.

D. The Fact-Finder's Analysis, Findings and Recommendation:

The present procedure for temporarily promoting a Correction Officer to the rank of Officer-in-Charge based upon seniority assures that the successful candidate will not only have comprehensive knowledge of the duties of Correction Officers, but also full experience in performing them. However, the functions of the Officer-in-Charge are primarily quasi-supervisory and

administrative in nature. The most senior Officer may not necessarily have those skills which are essential to the effective performance of the Officer-in-Charge responsibilities.

The Fact-Finder finds no persuasive reason not to allow the Chief to designate the temporary Officers-in-Charge.

Accordingly, the Fact-Finder finds appropriate and recommends that Article VII, Section 5, be amended to read as follows, and as so amended, carried forward and incorporated into the successor Contract.

"When a Correction Officer (CO) works as an Officer-in-Charge (OIC), the CO will be paid the base OIC rate of pay for hours worked as acting OIC. Temporary promotions to OIC will be made by the Chief".

10. Article XIII, - "Seniority" Section 4, "Notice Of Lay-Off":

A. The Expired Contract:

The 2011 Contract did not provide that employees receive advance notice of an impending layoff.

B. The City's Proposal:

The City offers a fourteen day notice in advance of the date on which an employee is to be laid-off, or the jobs abolished.

C. The Union's Proposal:

The Union proposes that affected employees be notified at least thirty days in advance of the date they are to be laid-off or their jobs are to be abolished.

D The Fact-Finder's Analysis, Findings and Recommendation:

Additional lay-offs of Correction Officers or job abolishments remain a realistic concern. It is a distinct possibility that the number of inmates may continue to decline, and even that the jail may be closed.

The Fact-Finder finds that the Union's proposal for a minimum of a thirty day notice before a Correction Officer loses employment is entirely reasonable and allows employees a head start in seeking other employment

and thus the opportunity to minimize the amount of time the affected employee would be without income.

The Fact-Finder finds appropriate and recommends that Article XIII, Section 4 be amended by adding the following sentence to Section 4.

"Employees who are designated to lose their jobs through lay-off or job abolishment shall be given not less than thirty days advance notice of the effective date of their lay-off or job abolishment".

11. Article XXIII - "Duration:"

A. The Expired Contract:

The 2011 Contract became effective as of January 1, 2011 and expired on December 31, 2013. The Contract was not signed, however, until September 23, 2011, nine months after the stated effective date.

B. The City's Proposal:

The City proposes to make the successor Agreement effective as of the date it is ratified by the parties.

C. The Union's Proposal:

The Union proposes that the Agreement become retroactively effective as of January 1, 2014.

D The Fact-Finder's Analysis, Findings and Recommendation:

Both parties agree that the successor Agreement should extend through December 31, 2016.

As this Fact-Finding is issued, however, 2015 has already begun.

Some of the modifications made in the new Agreement cannot be retroactively applied. The retroactive application of other procedures such as increased employee health insurance contributions would be unfair to employees.

On the other hand, while no wage increase is proposed for 2014, a two and one-half percent increase has been recommended effective as of January, 2015. Employees would be unfairly deprived of the benefit of their bargain if the Contract were to become effective as of a later date of ratification.

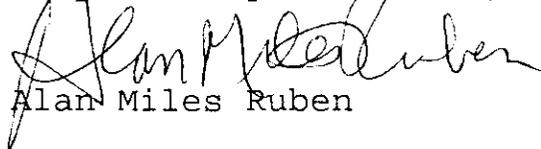
In consequence, the Fact-Finder finds appropriate and recommends Article XXIII "Duration" be amended to read as follows, and as so amended, incorporated into the successor Agreement:

"This Agreement shall be in full force and effect from the date of its ratification by the parties, except for Article VII which shall take effect as of January 1, 2015. The Contract shall continue in full force and effect through December 31, 2016.

"Upon written notice by either party to the other, given on or before December 31, 2016, negotiations for a new Agreement commencing January 1, 2017 shall begin. If no such notice is given then by either party, this Agreement will continue in effect for succeeding calendar years, except that either party may give written notice to the other to negotiate a new Agreement to commence as of the January 1st, next following".

Fact-Finding Report issued at Cleveland, Ohio on this 16th day of January 2015.

Respectfully submitted,



Alan Miles Ruben

Fact-Finder

AMR:ljpg



**City of Bedford Hts.
SuperMed Plus
Effective 1-1-2015**



Benefits	Network	Non-Network
Benefit Period	January 1 st through December 31 st	
Dependent Age	26	
Over Aged Child	28	
	Removal upon End of Month	
Blood Pint Deductible	0 Pints	
Pre-Existing Condition Waiting Period (Does not apply to dependents under age 19)	Does not apply	
Lifetime Maximum	Unlimited	
Benefit Period Deductible – Single/Family ¹	\$500 / \$1,000	\$1,000 / \$2,000
Coinsurance	90%	70%
Coinsurance Out-of-Pocket Maximum (Excluding Deductible) – Single/Family	\$1,000 / \$2,000	\$2,000 / \$4,000
Physician/Office Services		
Office Visit (Illness/Injury) ^{2,3}	\$15 copay, then 90%	70% after deductible
Specialist Office Visit ^{2,3}	\$30 copay, then 90%	70% after deductible
Urgent Care Office Visit ^{2,3}	\$35 copay, then 90%	70% after deductible
Surgical Services in Physician's Office ³	\$15 copay, then 90%	70% after deductible
All Immunizations	100%	70% after deductible
Allergy Testing and Treatment	100%	70% after deductible
Therapeutic Injection and Administration	100%	70% after deductible
Preventative Services		
Routine Physical Exams (Age 9 and older) ^{2,3}	100%	70% after deductible
Well Child Care Services including Exam and Immunizations (To age 9) ^{2,3}	100%	70% after deductible
Well Child Care Laboratory Tests (To age 9)	100%	70% after deductible
Routine Vision Exams (including Refraction) ⁴	\$15 copay, then 90%	70% after deductible
Routine Hearing Exams ³	\$15 copay, then 90%	70% after deductible
Routine Mammogram (One per benefit period)	100%	70% after deductible
Routine Pap Test (One per benefit period)	100%	70% after deductible
Routine Laboratory, X-Rays and Medical Tests (Age 9 and older)	100%	70% after deductible
Routine Endoscopic Services (Age 9 and older)	100%	70% after deductible
Outpatient Services		
Surgical Services (other than a physician's office)	90% after deductible	70% after deductible
Diagnostic Services (Laboratory, X-rays and Medical Test)	90% after deductible	70% after deductible
Physical/Occupational Therapy – Facility and Professional (20 visits each per benefit period) ³	\$15 copay, then 90%	70% after deductible
Chiropractic Therapy – Professional Only (24 visits per benefit period) ³	\$15 copay, then 90%	70% after deductible
Speech Therapy – Facility and Professional (20 visits per benefit period) ³	\$15 copay, then 90%	70% after deductible
Cardiac Rehabilitation- (Facility 36 visits per benefit period; Professional Unlimited) ³	\$15 copay, then 90%	70% after deductible
Pulmonary Rehabilitation-(Facility 20 visits per benefit period; Professional Unlimited) ³	\$15 copay, then 90%	70% after deductible
Emergency use of an Emergency Room ^{4,5}	\$100 copay, then 90%	
Non-Emergency use of an Emergency Room ^{4,5b}	\$100 copay, then 90%	\$100 copay, then 70%
Inpatient Facility		
Semi-Private Room and Board	\$250 copay per admission, then 90%	70% after deductible
Maternity	\$250 copay per admission, then 90%	70% after deductible

EXHIBIT A

Benefits	Network	Non-Network
Inpatient Facility		
Skilled Nursing Facility (180 days per benefit period)	90% after deductible	70% after deductible
Inpatient Rehabilitation (180 days per benefit period)	90% after deductible	70% after deductible
Additional Services		
Ambulance	100%	100%
Dental Services – Oral Accident	100%	100%
Durable Medical Equipment including Prosthetics Appliances and Orthotic Devices	90% after deductible	70% after deductible
Home Healthcare (60 visit limit per benefit period)	90% after deductible	70% after deductible
Hospice (360 day Lifetime Maximum)	90% after deductible	70% after deductible
Organ Transplants	90% after deductible	70% after deductible
Weight Loss Surgical Services including complications from Weight Loss Surgery	Not Covered	Not Covered
Private Duty Nursing	Not Covered	Not Covered
Mental Health and Substance Abuse – Federal Mental Health Parity		
Inpatient Mental Health and Substance Abuse Services	Benefits paid are based on corresponding medical benefits	
Outpatient Mental Health and Substance Abuse Services		



City of Bedford Heights
Traditional Dental
With Orthodontia (with Dentemax)
3-1-2011



Benefits	
Benefit Period	January 1 st through December 31 st
Dependent Age Limit	Same as Medical
Benefit Period Maximum (per member)	\$1,500
Benefit Period Deductible (single / family) ¹	\$50 / \$150
Orthodontic Lifetime Maximum (per eligible dependent up to age 19)	\$1,000
Preventive Services	
Oral Exams – two per benefit period	100%
Bite Wing X-Rays – one set per benefit period	100%
Diagnostic X-Rays – including Full Mouth/Panorex, which are limited to one every 36 consecutive months	100%
Prophylaxis (cleaning) – two per benefit period	100%
Fluoride Treatment – one treatment per benefit period, limited to dependents up to age 19	100%
Sealants – one every rolling 36 months per tooth up to age 14	100%
Space Maintainers- limited to eligible dependents up to age 19	100%
Essential Services	
Consultations and Other Exams by Specialist	80% after deductible
Emergency Palliative Treatment – includes emergency oral exam	80% after deductible
Minor Restorative Services	80% after deductible
Endodontics/Pulp Services	80% after deductible
Periodontal Services	80% after deductible
Repairs, Relines & Adjustments of Prosthetics	80% after deductible
Simple Extractions	80% after deductible
Impactions	80% after deductible
Minor Oral Surgery Services	80% after deductible
General Anesthesia	80% after deductible
Complex Services	
Gold Foil Restoration	50% after deductible
Inlays, Onlays – one every five years	50% after deductible
Crowns – one every five years	50% after deductible
Bridgework (Pontics & Abutments) – one every five years	50% after deductible
Partial and Complete Dentures – one every five years	50% after deductible

Benefits	
Orthodontic Services	
Orthodontic Diagnostic Services	50%
Minor Treatment for Tooth Guidance	50%
Minor Treatment for Harmful Habits	50%
Interceptive Orthodontic Treatment	50%
Comprehensive Orthodontic Treatment	50%

Note: Benefits will be determined based on Medical Mutual's medical and administrative policies and procedures.

This document is only a partial listing of benefits. This is not a contract of insurance. No person other than an officer of Medical Mutual may agree, orally or in writing, to change the benefits listed here. The contract or certificate will contain the complete listing of covered services.

In certain instances, Medical Mutual's payment may not equal the percentage listed above. However, the covered person's coinsurance will always be based on the lesser of the provider's billed charges or Medical Mutual's negotiated rate with the provider.

¹Maximum family deductible. Member deductible is the same as single deductible. 3-month carryover applies.



**City of Bedford Hts.
Prescription Drug Program¹
Effective 1-1-2015**

Benefits	Copay	Day Supply
Benefit Period	January 1 st through December 31 st	
Dependent Age Limit	Same as Medical	
Formulary Retail Program with Oral Contraceptive Coverage¹		
Generic Copayment	\$10	30
Formulary Copayment	\$25	30
Non-Formulary Copayment	\$40	30
Diabetic Supplies ²	\$0	30
Formulary Mail Order Program with Oral Contraceptive Coverage¹		
Generic Copayment	\$25	90
Formulary Copayment	\$60	90
Non-Formulary Copayment	\$90	90
Diabetic Supplies ²	\$0	90