

STATE EMPLOYMENT RELATIONS BOARD

FACT FINDER'S REPORT AND RECOMMENDATION

IN THE MATTER OF:

MEDINA COUNTY SHERIFF

AND

OHIO PATROLMEN'S BENEVOLENT ASSOCIATION

Case Numbers:

2014-MED-10-1403 (Full-time Sergeants)

2014-MED-10-1404 (Full-time and part-time Communication Technicians)

2014-MED-10-1405 (Full-time Deputy Sheriff and Deputy Detective)

2014-MED-10-1453 (Full-time Corrections Officers and Sergeants)

Before Fact Finder: Thomas J. Nowel

May 8, 2015

Presented To:

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INTRODUCTION

Thomas J. Nowel was appointed to serve as Fact Finder in the case as noted on the cover page by the State Employment Relations Board on March 5, 2015 in compliance with Ohio Revised Code Section 4117.14 (C) (3). The parties have engaged in multi-unit negotiations for four or five months and settled a number of items on the table. An impasse in negotiations occurred when the parties were unable to resolve a number of issues, and the parties moved forward with fact finding. The parties submitted pre-hearing statements in a timely manner. The evidentiary hearing was convened on April 2, 2015 at the Medina County Administration Building, and the parties engaged in a preliminary discussion regarding an attempt to resolve some or all pending issues. Following this good faith attempt, the parties decided to move forward with the hearing at fact finding.

The Union represents four bargaining units at the Medina County Sheriff Department as follows. Full-time Deputy Sheriffs including Detectives (30 employees); Deputy Sergeants (11 employees); Corrections Officers and Corrections Sergeants (66 employees); Dispatchers (17 employees). There are approximately 124 total employees in the four bargaining units.

Those participating at hearing for the Employer include the following:

William F. Schmitz, Counsel
Captain Kenneth J. Baca, Sheriff's Office
Scott Miller, County Administrator
Holly Muren, Human Resources Director

Those participating at hearing for the Union include the following:

Max Rieker, OPBA Attorney
Bruce Cornelius, OPBA Director
Frank Poland, Jr., Union Representative
John Girard, Union Representative
Sergeant James Sanford, Union Representative
Sergeant Kevin Ross, Union Representative
Gary Zimancik, Union Representative
Sergeant John M. Newman, Union Representative

Outstanding Issues:

1. Article 22, Uniform Maintenance Allowance
2. Article 23, Insurances
3. Article 28, Longevity
4. Article 30, Rates of Pay
5. Article 30, Section 30.06, Detective Differential
6. Article 30, Section 30.06, Dispatchers Allowance
7. Article 30, New Section, Road Deputies
8. Article 30, Deputy Sergeant rank differential
9. Article 30, Corrections Sergeant rank differential
10. Article 31, Proficiency Allowance

In analyzing the positions of the parties regarding each issue at impasse and then making a recommendation, the Fact Finder is guided by the principles which are outlined in Ohio Revised Code Section 4117.14 (G) (7) (a-f) as follows.

1. The past collectively bargained agreement between the parties.
2. Comparison of the issues submitted to fact finding 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.
3. 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.
4. The lawful authority of the public employer.

5. The stipulations of the parties.
6. Other factors, not confined to those listed above, which are normally or traditionally taken into consideration in 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.

During the course of the hearing, the parties had full opportunity to advocate for their positions on each outstanding issue, submit exhibits, present testimony and discussion and engage in rebuttal of the submissions of the other party. The Fact Finder will transmit the Report and Recommendation, by way of electronic mail and by agreement of the parties, on May 8, 2015.

DISCUSSION AND RECOMMENDATIONS

The Employer opened the hearing with a review of County finances. The bottom line factor, argues the Employer, is the loss of revenue in the General Fund during the past several years. The Sheriff Department is financed by the General Fund. Total revenue in 2007 was \$38,299,783.11. In 2014, the General Fund had total revenue of \$35,602,618.00, and projected revenue in 2015 of \$36,151,839.00. The Employer argues that this is an illustration of a very tight budget as carry over in 2007 was \$6,927,587.25 and was only \$3,156,706.03 at the end of 2014. This is only 8.97% of the total budget. The Employer states that its target is a 20% carry over which is important for the County's bond rating. The Employer states that it has not achieved revenue projections since 2012. Casino revenues have decreased. The Employer states that it is important to note that it has already budgeted for

1.5% wage increases and does not have the finances to exceed that amount. Non bargaining unit employees have received increases of 1.5%. The Employer states that it had planned to open a jail pod and expand the court house, but these projects have been delayed as the financial resources are not available, and there have been layoffs of county employees in the recent past. The Employer states that a new levy for human services is on the May ballot. In the event the levy is supported by voters, new revenue will not be realized until 2016. The Employer argues that it will be in a better position to offer wage increases to unionized employees in the next collective bargaining agreement which will commence on January 1, 2017. The Employer states that, although County finances are very tight, it has been able to maintain a AA bond rating by achieving a balanced budget, reducing expenses where necessary and by laying off employees in 2010. The Employer reminds the Fact Finder that Medina County is mostly rural. The Employer states that it bargains 14 collective bargaining agreements with a number of Unions. Most negotiations have been resolved with 1.5% wage increases and an agreement to health insurance modifications. The Employer argues that "pattern bargaining" is the norm at the County with more than twelve years of history. The Employer concludes that, based on its financial condition, it is unable to meet the economic demands of the Union.

The Union believes that County finances are sufficient to meet its economic demands. The passage of the levy in May, which is expected to receive voter approval, will make over \$1.7 million available in the General Fund. The Union states that the County must have sufficient revenue in order to maintain its AA bond rating. The Union argues that the Sheriff Department has sufficient resources to

fund its proposals. Medina County has one of the lowest poverty ratings in Ohio, and there has been a consistent increase in population with a low unemployment rate and third highest median incomes in the state. The Union states that, although Medina County is one of the lowest taxed counties in Ohio, it is one of the most affluent. Current bargaining unit employees are working harder with less. There has been a substantial increase in calls for service and an increase in the number of prisoners who are housed in the County correctional system. The Union states that the national economy has improved significantly in the past few years, and the unemployment rate in Ohio dropped to 5.7% in 2014. This improvement in the economy has impacted Medina County which, the Union argues, is very affluent. The Union argues that its proposals are realistic and should be recommended by the Fact Finder.

The recommendations which follow are in the order in which they were presented at the evidentiary hearing.

1. Article 30, Rates of Pay, Section 30.06, Terminal Agency Coordinator

The Union proposes a supplement to the pay of Dispatchers who are designated as Terminal Agency Coordinator and Assistant Terminal Agency Coordinator. The proposed supplement is \$200.00 per year.

UNION POSITION: The Union argues that the work entailed is burdensome and complex. Working with LEADS is included in the duties of the designated

Dispatcher in addition to the processing of numerous indictments each day. The supplement is therefore justified.

EMPLOYER POSITION: After a brief caucus at hearing, the Employer agreed to the Union's proposal.

RECOMMENDATION: Section 30.06 will include the supplemental pay as follows.

30.06 The Sheriff shall provide two hundred (\$200.00) dollars field training dispatching (FTD) pay for not less than three (3) FTD appointments and shall pay two hundred (\$200.00) dollars for no less than two (2) TAC/Assistant TAC appointments per year. The Sheriff shall determine all FTD and TAC appointments. FTD and TAC appointments are not grievable.

2. Article 30, Rates of Pay, New Section, Road Deputies Supplement

The Union proposes a \$.50 per hour differential for Deputies who perform road patrol assignments. The Employer opposes the proposal.

UNION POSITION: The Union states that approximately 20% of the deputies are assigned to road duties. Other deputies provide security for the court and perform other non road duties. Due to the assignment, road deputies are not able to participate in cross training. The work is open to stress, and the number of road deputies has been reduced while the number of calls for service has increased in a county which has realized significant population growth. Road deputies change and rotate shifts every three months. The Union argues that its proposal is justified.

EMPLOYER POSITION: The Employer argues that adding \$.50 per hour to the base pay of road deputies does not remedy the inability to cross train and the flexibility enjoyed by other deputies in the Department. The Employer argues that road deputies are in these positions based on their desire for this assignment in any event. The Employer argues further that multiple rates of pay for the same classification create an administrative payroll nightmare. The Employer urges the Fact Finder to reject the proposal.

RECOMMENDATION: The Union presents a number of compelling arguments. Road deputies miss training opportunities which could allow for movement to other assignments. This absence of schedule flexibility creates a distinction between road deputies and other employees in the Department who are classified as Deputies. An important factor in the analysis of the Union's proposal is the shift change to which road deputies are subject every three months. The transition is difficult for the employee and his/her family and personal life. The Union's proposal for a pay differential is justified. The recommendation is for a \$.20 per hour differential as follows.

30.10 Road Deputies shall receive a "Road Deputy Differential" of twenty cents (\$.20) per hour for all hours worked in addition to other pay they receive for hours worked.

3. Article 22, Uniform Maintenance Allowance

The Union proposes an increase in the uniform allowance for Corrections Officers and Corrections Sergeants from \$900.00 per year to \$1300.00 per year. The Employer opposes the proposal.

UNION POSITION: The Union states that its proposal is consistent with the uniform allowance provided to Deputy Sheriffs and Sergeants. The Union argues parity. The cost of uniform parts has increased over the past years, and an increase is important in order to keep pace with costs. Corrections Officers are assigned significant overtime which accounts for additional wear, and assaults by inmates often cause destruction of various uniform parts. The Union emphasizes the issue of parity with Deputies.

EMPLOYER POSITION: The Employer states that the uniforms worn by Corrections employees are vastly different than that of Deputies. Corrections Officers do not need winter coats and footwear. Special straw hats are standard wear of Deputies. The Employer states further that it will replace damaged uniform parts due to confrontations with inmates. The Employer states that the Sheriff is investigating a reduction in mandatory clothing items for Corrections Officers and Sergeants.

RECOMMENDATION: At hearing, the Union focused on minor pieces of clothing, such as name tags, as opposed to more significant articles of clothing. There was no clear evidence that the current clothing allowance is insufficient, and the possibility

of a reduction of certain mandatory aspects of the clothing policy may reduce employee costs. There is no compelling reason to increase the uniform maintenance allowance for Corrections Officers and Sergeants. The recommendation is current contract language.

4. Article 30, Rates of Pay, Section 30.06, Detective Differential

The Union proposes an increase in the Detective Differential from \$100.00 per month to \$400.00 per month. The Employer opposes the proposal.

UNION POSITION: The Union states that the differential has not been increased in over twenty years. There are currently five detectives, four deputies and one sergeant. The staffing level has decreased by one detective while there has been a steady increase in service calls. The work load is heavy, and there are times when detectives engage in all night surveillance. Detectives are on call every five weeks, and late night calls are not unusual. An increase in the differential is timely and should be a part of the recommendation.

EMPLOYER POSITION: The Employer contends that Detectives are currently well paid. If they work beyond forty hours in a week, overtime is paid. Detectives receive the \$1300.00 annual uniform maintenance allowance in addition to the current \$100.00 monthly differential. Detectives do not maintain the full complement of uniform and clothing items which are required of Deputies. In addition, the Employer states, Detectives are permitted to drive county vehicles to

and from their homes. The Employer argues that there is no justification to increase the Detective Differential.

RECOMMENDATION: Both parties present compelling arguments. The ability to utilize a County automobile when driving to and from work is a perk not enjoyed by other Department employees. And the \$.20 per hour road deputy differential recommendation will also apply to Detectives. The recommendation therefore is current contract language, no increase in the "Detective Differential."

5. Article 30, Rates of Pay, Section 30.04, Corrections Sergeant Differential

The Union proposes a change in the differential between Corrections Officers and Sergeants which is currently 14% greater than the highest paid Corrections Officer. The proposal is to place the Corrections Sergeant on Step 1 of the Deputy Sergeant pay schedule. The Employer opposes the proposal.

UNION POSITION: The Union states that it was the intention of the Employer to phase out Deputy Sergeants from their positions in the Corrections Division. Nevertheless, two Deputy Sergeants continue to work in Corrections, and they are paid at the higher rate pursuant to that specific collective bargaining agreement. The Union argues that Corrections Sergeants are performing the same duties as the Deputy Sergeants who are assigned to the Division but at a significantly reduced rate of pay. There is an \$11,000.00 difference in pay. The proposal is one of equity and fairness. The Union states that Corrections Sergeants have the capability to

make arrests in the jail. The Union states that its proposal does not completely bridge the gap, but it moves in the direction of creating equity for Corrections Sergeants who work side by side with the two Deputy Sergeants.

EMPLOYER POSITION: The Employer states that it has been in the process of phasing out the Corrections assignment for Deputy Sergeants and replacing this position with Corrections Sergeants. This has been an ongoing process. The Employer states that there were seven Deputy Sergeants in Corrections and only two remain. The Employer states that the two remaining Deputy Sergeants did not desire a transfer to road assignments. The Employer therefore has retained the two Deputy Sergeants in the jail. The utilization of Corrections Sergeants represents a planned savings for the Employer. The Employer states that Corrections Sergeants do not carry firearms while the Deputy Sergeants are authorized to do so. Deputy Sergeants receive a higher level of training. The Employer argues that there is no justification to increase the pay differential of Corrections Sergeants.

RECOMMENDATION: On the surface it would appear, as the Union argues, that this proposal is one of parity and equity. But the Employer has a long term plan to phase out the Deputy Sergeant position from the Corrections Division, and the Union proposal would basically derail this cost effective plan. The Employer could have eliminated the Deputy Sergeant position but allowed incumbent employees to retain their positions in Corrections until resignation or transfer to another position in the appropriate bargaining unit. In light of these considerations, the Union's proposal to

increase the rate of pay of Corrections Sergeants by approximately \$6000.00 is not recommended. The recommendation is to retain the current wage structure for Corrections Sergeants.

6. Article 30, Rates of Pay, Section 30.01, Rank Differential

The Union proposes to increase the rank differential between the highest paid Deputy and Deputy Sergeant from 14% to 15%. The Employer opposes the proposal.

UNION POSITION: The Union states that the duties of Sergeants have expanded including SWAT and the utilization of drones. Drone operators must be certified pilots. In addition to maintaining a regular workload, Sergeants are responsible for training and supervision. The Union states that Deputies are reluctant to advance to Sergeant due to many expanded responsibilities which have been added over the past years, and, in order to attract candidates to the position, it is critical to increase the differential. The Union argues that, in a comparison to a number of regional county jurisdictions, Medina County Sergeants fall behind their peers. The differential between Deputies and Sergeants in Cuyahoga County is 18%; the differential is 15% in Geauga County; 11.2% in Lake County; and 16% in Lorain County. The average differential in these counties is 15.05% The Union argues that its proposal is justified.

EMPLOYER POSITION: The Employer argues that Cuyahoga County is drastically high, an outlier. Otherwise Sergeants are very comparable to their regional peers. The Employer states that the hourly wage is adequate, and Sergeants are paid time and one-half for any hours worked over forty in a week. The Employer points out that the differential was increased at the bargaining table, in the past two or three negotiations, from 12% to 14%. The Employer argues that there is no justification for another increase at this time.

RECOMMENDATION: The Union points out that a number of Fact Finders rely on regional comparables and expect employers, if they have the financial capacity, to be sensitive to this factor when bargaining over wages (Nelson). The Union presented evidence regarding the rank differential for Deputy Sergeants in a number of area counties including Cuyahoga, Geauga, Lake and Lorain. The high differential is 18% and the lowest is 11.2%. The average rank differential is 15.05%. The actual take home pay for Sergeants in the identified counties varies as Deputy wages are lower in Cuyahoga but significantly higher in Geauga. Nevertheless, the rank differential is consistently based on a percentage of the wages paid to Deputies in many counties. Evidence at hearing indicates that Medina County's Deputy Sergeants are tasked with more responsibility and authority than their regional peers. The Employer's argument, that the differential was recently increased from 12% to 14% is also compelling. Evidence indicates that Medina County deputies are paid at 97.69% of the regional average, and this is also a factor in the determination of rank differential for Sergeants. In light of this difference; the regional Sergeant rank

differential comparables; and based on the recommendation of a \$.20 per hour differential for Road Deputies, the recommendation regarding Sergeants' pay is an increase of ½% from 14% to 14.5%.

Article 30, Rates of Pay

30.01 Effective the first pay period of 2015, the wages of all employees holding the rank of Sergeant shall be computed at 7% above the base wage rate of the highest paid Deputy for Step 1 and 14.5% for Step 2.

The parties will insert the appropriate salaries at Step 1 and Step 2.

30.02 Effective the first pay period of 2016, the wages of all employees holding the rank of Sergeant shall be computed at 7% above the base wage rate of the highest paid Deputy for Step 1 and 14.5% of Step 2.

The parties will insert the appropriate salaries at Step 1 and Step 2.

7. Article 28, Longevity

The Union proposes to modify the Longevity provision of the Agreement by deleting Section 20.05 which states that employees hired after January 1, 2013 will not earn or be paid longevity. The Employer opposes the proposal.

UNION POSITION: The Union states that the elimination of longevity for new employees, beginning in 2013, has caused a significant morale problem in all bargaining units represented by the OPBA. The Employer has hired several new employees in the bargaining units, who are not eligible for longevity, while the majority of employees continue to enjoy the benefit. The Union argues that this has created two classes of employees and a system-wide inequity. Issues of morale and equity will be magnified in the future. The Union argues that it is critical that the

Employer agree to reinstate longevity for employees who are now excluded from the benefit.

EMPLOYER POSITION: The Employer states that the Union agreed to the limitation of longevity during the last negotiations. The Employer states further that every collective bargaining agreement with Medina County and its various Unions exclude new employees from the longevity benefit. The Employer argues that the Fact Finder must give significant consideration to internal comparables regarding this benefit.

RECOMMENDATION: The parties to the instant matter negotiated an end to longevity benefits for new employees effective January 1, 2013. The Employer's argument, that this just occurred in the last negotiations and should not now be reinstated, is compelling. There is no evidence that there was an agreement to reinstate the benefit at some point in time for new employees when the limitation was negotiated, and the Union could not have expected that the benefit would be reinstated during the next or future negotiations. Internal comparables support the Employer's position regarding this proposal. The proposal to reinstate longevity benefits for employees hired after January 1, 2013 is not recommended. Current contract language is recommended.

8. Article 31, Proficiency Allowance

The Employer proposes to modify three of the collective bargaining agreements regarding proficiency stipends currently paid Deputies, Dispatchers and Corrections Officers. The proposal states that, in order to qualify for the stipends, employees must also complete OPOTA physical fitness standards. The new fitness qualifications will be met if employees meet 70% of the standards. The Union opposes the proposal and wishes to maintain current contract language regarding the various stipends.

EMPLOYER POSITION: The Employer argues that the stipends contained in the Agreements are no more than added income as the certifications involved are required by law. In order to earn the certification stipends contained in the Agreements, employees must pass 70% of the OPOTA physical fitness standards. The Employer states that its proposal is weighted based on age and gender and is therefore fair and sensitive to all employees. The Employer states that the Sheriff desires a physically fit Department which will improve the health and well being of all employees. The proposal includes the administration of the tests annually.

UNION POSITION: The Union states that a majority of employees in the bargaining units are strongly opposed to the proposal. The Union argues that the proposal as written does not consider the possibility of injuries, and it does not provide for those employees who are physically unable to engage in the various activities and tests. The Union argues that this proposal essentially eliminates monetary benefits

which have been bargained over time by the parties. The Union states that it is aware of a number of collective bargaining agreements in other political subdivisions which reward the passing of certain fitness standards with monetary incentives. Instead, the Union argues, this proposal is punitive in respect to the potential loss of certification stipends contained in the Article, and the Union wonders if the failing of the fitness standards may result in discipline. The Union urges rejection of the proposal.

RECOMMENDATION: The desire of the Sheriff for a physically fit work force is admirable. A number of private sector employers have rewarded employees with bonuses and other perks for achieving fitness standards, ending smoking, meeting long distance running goals, etc. (the former Bonne Bell Company in Westlake). Such plans impact productivity, reduce health care costs and improve morale. There is the potential for a win-win. But fitness policies of this nature usually include voluntary participation and certain monetary benefits and perks based on achieving certain fitness levels. The Employer's proposal in the instant case requires mutual agreement through the collective bargaining process. Issues of potential discipline for failure to meet the standards must be resolved. The proposal, as presented, is silent in this regard. The Union's suggestion, that the proposal is punitive as it negates current stipends contained in Article 31, is compelling. If the goal is a healthy workplace, the notion of non payment of certain certification stipends for failure to pass fitness standards is counter productive. From a bargaining stand point, this is a non starter for the Union. The proposal says nothing regarding

employees who may not participate due to certain health restrictions. Do they lose their certification stipends? Further, the proposal, as currently written, would include all employees with the exception of Deputy Sergeants. The Employer's proposal needs a lot of work and active collaboration with the Union. There are two recommendations regarding the proposal. First, the Employer's proposal regarding physical fitness standards is not recommended. Current contract language in Article 31 is recommended. Second, it is recommended that the establishment of a proficiency allowance for achievement of certain physical fitness standards be added to the agenda of labor management committee meetings during the term of the new Agreements pursuant to Article 11, Labor/Management Committee.

9. Article 30, Rates of Pay

The parties have proposed across the board wage increases based on a two year successor agreement. The Union proposes a 3% wage increase for all employees in the bargaining units effective January 1, 2015 and another 3% effective January 1, 2016. The Employer proposes increases of 1.5% effective on January 1, 2015 and January 1, 2016.

UNION POSITION: The Union states that, in an eight county region, including Medina, average wage increases for Sheriff Department employees in 2015 have averaged 2.61%. Wage increases range from 2% to 3% (Union Exhibit 11). The Union cites fact finding reports which support the theory that an Employer is bound to honor prevailing rates in the region. The Union argues that internal comparables

are less important than what is paid regionally, and it notes that other Medina County bargaining units are strike units under the law and therefore may have settled wage provisions on the low side. The Union argues that the 2014 SERB Wage Settlement Report clearly indicates a trend of increased wage increases. The Union summarizes its earlier remarks regarding the affluence of Medina County which has experienced significant growth, low unemployment and higher household incomes. The Union states that the Employer's wage proposal does not take into account additional duties placed on bargaining unit employees who are expected to do more with less. The Union argues that a standard has been established regionally. The average wage increase in Sheriff Departments is 2.6%. A number of fact finders suggest that Employers must give significant consideration to the regional "going rate." The Union states that the proposal of the Employer does not measure up to regional comparables and should therefore be rejected by the Fact Finder. The Union states that its proposal should be recommended.

EMPLOYER POSITION: The Employer states that it has reviewed the SERB Wage Settlement Report for 2014. It notes that SERB places Medina County in the Akron/Canton Region which includes a number of counties not a part of the Union's list of comparable jurisdictions. The average 2014 wage increase in this region was 1.76%. Nevertheless, the Employer states that its primary argument is one of inability to pay what the Union has proposed. The Employer states that it has clearly made its case based on its financial condition and the need to gain voter support for the new levy. The Employer admits that Medina County is relatively

affluent compared to many others in the state and area, but low unemployment, growing population, the higher rate of bachelor degrees possessed by county residents do not improve the financial condition of the county based on one of the lowest tax rates in the region. The Employer states that it has budgeted 1.5% wage increases and does not have the capacity to exceed those rates during the successor agreement. Any increase above 1.5% could result in layoffs.

RECOMMENDATION: The parties make compelling arguments for their positions regarding wage increases. Some fact finding reports support the concept of the regional “going rate” while other neutrals focus on the Employer’s ability to pay. The statute asks SERB neutrals to consider both concepts in the development of a recommendation or award in the case of conciliation. It is often a delicate balancing act. In the instant case, the Employer makes a compelling case regarding county finances. Revenue in the general fund has decreased over several years and the carryover is not at a level which would allow for a great deal of flexibility. The Employer cites the inability to move forward with the jail and court house projects. It is clear that the passage of the levy is important for the financial health of Medina County, and the Employer asserts that its passage will allow for more flexibility during the next negotiations which will commence in late 2016. The Union argues that Medina County is an affluent community, and this fact does not go unnoticed by the Fact Finder. But the Employer’s argument regarding the low tax base is not a factor which can be ignored. The Union’s argument regarding increased workload with less staff is not dismissed, but this is true throughout the public sector.

The Employer states that it has budgeted for 1.5% wage increases. But evidence indicates that many employees in Teamster bargaining units and others are receiving 2% wage increases in 2015 and 2016 based on their status on the pay schedule (Employer Exhibit 2). Sanitary Line employees, represented by the Teamsters Union, for example, received a 1.5% across the board wage increase and then a new Step 5 was added to the pay schedule. The step increase is worth 1.5%. Employees at the top of the wage schedule realized an overall 3% wage increase in 2015. Other step adjustments were included in a number of the recently negotiated collective bargaining agreements. The Employer states that wage increases beyond the budgeted 1.5% were granted to bargaining units, which moved to a modified health insurance plan, and the Fact Finder is aware of the trade-off. Having considered all facts and arguments at hearing, the following recommendation is made for wage increases in the successor agreements, 1.5% effective January 1, 2015 and 2% effective January 1, 2016.

Article 30, Rates of Pay

30.01 Effective the first pay period in 2015, all employees shall receive a 1.5% increase in wages in accordance with the following pay schedule.

Parties will develop the wage schedule based on 1.5% wage increase.

30.02 Effective the first pay period in 2016, all employees shall receive a 2% increase in wages in accordance with the following pay schedule.

Parties will develop the wage schedule based on 2% wage increase.

10. Article 23, Insurances

The Employer proposes a modification to the Insurance provision of the Agreement beginning in 2016. It wishes to eliminate the detailed insurance plan as currently outlined in the Agreements. The Employer proposal would place bargaining unit employees in the same managed care plan which is provided to certain County workers including employees represented by SEIU and others including non bargaining unit employees. Negotiated plan details would be replaced by the following language. *The Employer shall provide managed healthcare programs for all employees as approved by the County Commissioners and required by law.* In addition, the Employer proposes to increase the employee share of premium cost from 10% to a level not to exceed 15%. The Employer proposes further that, if the Fact Finder recommends continuation of the current benefit plan, that the spouse exclusion rate increase from 25% to 40%. The Union proposes no change to the insurance plan in 2016. The Union is opposed to any change to the health insurance provision in 2016.

EMPLOYER POSITION: The Employer states that it is necessary to seek cost savings due to the bleak outlook for County finances. The Employer feels that it is hamstrung with a contract provision which outlines plan details without the flexibility needed to make design changes which could reduce costs. The Employer points out that the OPBA has negotiated a number of collective bargaining agreements, which contain nearly the exact language proposed in the instant negotiations, including Lake and Lorain Counties. The Employer points out the

volatility of the healthcare industry and the unknown ramifications of the Affordable Care Act. SEIU Local 1 has agreed to the Employer's proposal during recent negotiations, and the bargaining units represented by the Teamsters Union have been enrolled in the Ohio Teamsters Health and Welfare Plan. The Employer states that this plan is very cost effective. The Employer emphasizes that other counties have found it cost effective to move all employees to one consolidated plan. In addition, the Employer argues that its proposal to increase the employee premium share up to 15% is justified as health care costs may increase in 2016. While it is not certain that costs will increase to 15%, the Employer is seeking the necessary flexibility. And, if the Fact Finder recommends the retention of the current plan as outlined in the Agreements, it desires an increase in the eligibility rate for spouses from 25% to 40% as a cost savings measure.

UNION POSITION: The Union argues that the Employer's proposal would allow it to unilaterally impose a sub standard health care plan in 2016. The Union states that no controls regarding health care costs for employees would exist if the Employer's proposal is adopted. In addition, the flexibility to increase the employee share of the monthly premium would surely result in an automatic increase to 15%. The Union emphasizes that it represents four bargaining units at the County meaning that a substantial number of employees would be impacted with higher costs and an uncertain plan design. The Employer's proposal would result in an overall loss of income. The Union states that the Employer's proposal to increase employee costs up to 15% exceeds comparable averages for counties and in the Akron/Canton

region as illustrated in the “2014 22nd Annual Report on the Cost of Health Insurance in Ohio’s Public Sector” as published by the State Employment Relations Board. This reports also illustrates that the proposed spousal restriction is also out of line with state-wide comparable jurisdictions. 64.8 % of employers require no restrictions on insurance coverage for employee spouses. The Union argues that deductibles have increased and maximum out of pocket costs for employees have increased since 2013. The Union argues for current contract language.

RECOMMENDATION: There is a general movement to one employer-wide health care plan. This approach is often necessary in an effort to contain costs, and is often supported by neutrals engaged in the fact finding and conciliation process. Many Employers consider health care consortiums as another approach to contain costs through a larger group of covered employees. Although the Employer in this instance argues for a consolidated employee group and points out that the OPBA has agreed to this concept in a number of other collective bargaining agreements, there will be at least two health care plans in Medina County as the Employer has agreed to the Ohio Teamster Health and Welfare Plan for many of its unionized employees. Other Union employees and non-bargaining workers are not eligible for this Plan. One consolidated County-wide plan is not a reality. It is assumed that the Teamster Plan provides for specific coverages in the same manner as details are outlined in the OPBA Agreements. It is also assumed that Medina County has little or no input in the design of the Teamster Plan which is a state-wide public/private employer plan and which has been designed by the trustees who manage the plan. This is not

to diminish the cost effectiveness of this health care plan, but Medina County has little if any input regarding plan design.

Sections 23.05 and 23.09 currently provide for the flexibility sought by the Employer regarding the Affordable Care Act. In addition, Section 23.13 allows the Employer to contract with another insurance carrier as long as benefits are substantially similar to the current plan design. The language does not require the same benefit level, and, if the parties work together in designing a new cost effective plan for 2016, there is an opportunity for a win-win. At hearing, the Employer suggested that a new plan covering non Teamster bargaining units and non bargaining unit employees would not result in an inferior health care plan. In addition, evidence indicates that the increased cost for insurance was minimal in 2015. It is unclear if there will be an increase in 2016, and there is no available information regarding what a new plan design may entail. Certain bargaining units representing Medina County employees have reached agreement to modify insurance provisions in collective bargaining agreements, but the OPBA does not agree to an open ended provision which is full of uncertainties. When the Teamster bargaining units agreed to make changes in their respective Agreements, the specifics of the new plan were known by Union members and Employer representatives. This is not the case here. There is, therefore, no compelling reason to substitute current contract language with the Employer's proposal. The Employer's proposal to potentially increase the monthly premium cost for employees is meritorious in light of the possibility of future cost increases although the proposal to raise the limit to 15% is higher as compared to regional employee

costs as illustrated by the SERB health insurance report for 2014. The recommendation then is to maintain the current health insurance plan as outlined in the collective bargaining Agreements and to allow for a potential employee cost increase up to 12%, for Plan 1 and for a potential cost increase up to 8% for Plan 2 participants. As both parties indicated, modifications to the health care plan are limited to 2016 as the parties will negotiate a successor agreement to commence in 2017. These recommended modifications appear in Sections 23.07 and 23.10 as follows.

Article 23, Insurances

23.07 The Employer agrees to set a cap of twelve percent (12%) to the employees' maximum monthly contribution, as set forth in Section 23.06, if the Employer's estimated cost for either Plan 1 and/or Plan 2 increases in year 2016. If an increase is necessary, it will be effective approximately the first pay period of 2016. Any increase above the twelve percent (12%) cap, based on the Employer's annual estimated cost, shall be borne by the Employer.

23.10 Employees shall contribute five percent (5%) of Plan 2's actuarially estimated cost each month. The Employer agrees to set a cap of eight percent (8%) to the employees' maximum monthly contribution, as set forth in this section, if the Employer's estimated cost for Plan 2 increases in year 2016. If an increase is necessary, it will be effective approximately the first pay period of 2016. Any increase above the eight percent (8%) cap, based on the Employer's annual estimated cost, shall be borne by the Employer.

The current Agreements require spouses to enroll in the insurance plan available at their place of employment or retirement plan. This requirement does not apply to a spouse who must pay more than 25% of the monthly single premium cost. The Employer proposes to increase the percentage, in contract year 2016, to 40% in the event the recommendation at fact finding retains the current insurance

plan. The Employer, based on Section 23.14, maintains records of spouses who participate in other employer or retiree health care plans. At hearing, there was no evidence illustrating how the Employer's proposal would impact the current list of spouses who are covered by other insurance or the County's potential savings. There is no compelling reason therefore to recommend the proposal to increase the limit to 40%. The recommendation is to maintain current contract language.

CONCLUSION

The Fact Finder has reviewed the pre-hearing statements of the parties, all facts presented at hearing and all exhibits submitted at hearing. In addition, the Fact Finder has given consideration to the positions and arguments presented by each party regarding the issues at impasse and to the criteria enumerated in Ohio Revised Code Section 4117.14 (G) (7) (a-f).

In addition to the specific recommendations contained in this Report and Recommendation, any tentative agreements, which may have been reached by the parties prior to fact finding, are hereby incorporated in this Report. Any issues or sub-issues not addressed during negotiations are intended to remain current contract language for purposes of this Report and recommendation

Respectfully submitted and issued at Cleveland, Ohio this 8th Day of May 2015.



Thomas J. Nowel
Fact Finder

CERTIFICATE OF SERVICE

I hereby certify that, on this 8th Day of May 2015, a copy of the foregoing Report and Recommendation of the Fact Finder was served by way of electronic mail upon William F. Schmitz, Esq., representing the Medina County Sheriff Department; Max Rieker, Esq., representing the Ohio Patrolmen's Benevolent Association; and Donald M. Collins, Esq., General Counsel, State Employment Relations Board.



Thomas J. Nowel
Fact Finder

