

FACT-FINDING REPORT

STATE EMPLOYMENT RELATIONS BOARD

STATE OF OHIO

July 24, 2015

In the Matter of:

City of Warrensville Heights	)	
	)	Case No. 2014-MED-10-1406
and	)	Patrol Officers
	)	
Ohio Patrolmen's Benevolent Association	)	

APPEARANCES

For the City:

Jon Dileo, Attorney  
Bradley Sellers, Mayor  
Rubin Moultrie, Finance Director

For the Union:

Max Rieker, OPBA Attorney  
Gregory A. Curry, Patrol Representative  
Jerome Thomas, Patrol Representative  
Fred Kerling, Lieutenant, Witness

Factfinder:

Nels E. Nelson

## BACKGROUND

The instant case involves the City of Warrensville Heights and the Ohio Patrolmen's Benevolent Association. The city is located in the southeast part of Cuyahoga County and consists of 4.13 square miles. It has a population of approximately 13,542; a median household income of \$35,461; and a General Fund budget of \$17 million. The union represents 21 patrol officers employed by the city.

The parties are negotiating a successor agreement to the one that expired on December 31, 2014. They met to negotiate on a number of occasions but when they were unable to reach an agreement, the fact-finding process was invoked.

The Factfinder was notified of his appointment on May 12, 2015. A fact-finding hearing was held on June 29, 2015. When the Factfinder concluded that a mediated settlement was not possible, he conducted a hearing and prepared this report with his recommendations for settlement.

The recommendations of the Factfinder are based upon the criteria set forth in Section 4117-9-05(k) of the Ohio Administrative Rules. They are:

- (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, and the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service;
- (d) The lawful authority of the public employer;
- (e) The stipulations of the parties;
- (f) Such other factors, not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of issues submitted to

mutually agreed upon dispute procedures in the public service or in private employment.

## ISSUES

The parties submitted eight issues to the Factfinder. For each issue the Factfinder will state the positions of the parties, summarize the arguments and evidence they offered in support of their positions, present a discussion of the issue, and provide his recommendation for the resolution of the issue, including suggested contract language.

1) Article 14 - Duty Hours, New Section - Stand-by Pay - The current contract has no provision relating to stand-by pay but there is a practice of paying patrol officers who are required to stand-by for possible deployment two hours of pay at overtime rates. The union seeks to incorporate the practice in the collective bargaining agreement. The city opposes the union's demand.

Analysis - The Factfinder recommends the union's proposal. The record indicates that the city requires patrol officers to be on stand-by for possible callout and deployment on a number of holidays and for a number of city events. The practice of paying patrol officers for being available at those times is not unreasonable and belongs in the contract.

Recommendation - The Factfinder recommends the following contract language:

When the City places an employee on notice and requires that employee to be on standby (i.e., to make himself available for call-up for duty), the City shall compensate the employee for two (2) hours of overtime, regardless of whether the employee is called for duty.

2) Article 15 - Premium Pay, Section 1(e) - Field Training Officers - The current contract requires the city to pay patrol officers who are assigned to serve as field training

officers one hour of overtime for each shift they serve in that capacity. The union seeks to increase the compensation to 1½ hours of overtime for each shift a patrol officer serves as a FTO. The city opposes the union's demand.

Analysis - The Factfinder recommends the union's demand. As the union pointed out, the current contract language was negotiated when patrol officers worked eight-hour shifts but they now work 12-hour shifts. An increase from one hour to 1½ hours of overtime reflects the 50% increase in the length of the shifts.

Recommendation - The Factfinder recommends the following contract language:

An officer who is designated by management to act as a Field Training Officer (FTO) shall be paid one and one-half hours of overtime for each training shift. Such compensation may be taken as compensatory time.

3) Article 17-Vacation, Section 3 - Scheduling Vacation - The current contract includes a provision that prohibits the city from forcing patrol officers to "take or otherwise expend any of his or her accrued paid leave, including vacation leave." The city wishes to delete this provision. The union opposes the city's demand.

City Position - The city argues that its demand should be recommended. It points out that the patrol officers' contract is the only one in the city that "arguably" restricts its ability to assign vacation time to employees. The city notes that such a restriction creates difficulties because certain patrol officers do not schedule their vacation time in order to bank the time and cash it out at retirement. It observes that the problem is that it is eventually required to pay for the time even though there were days or weeks during the year that were available for vacation, i.e., more than the five-man minimum was scheduled to work.

Union Position - The union argues that the city's demand should be rejected. It states that the city is seeking to eliminate a long-standing provision that restricts the city from forcing patrol officers to use accrued vacation.

The union contends that this restriction is "absolutely critical" to members of the bargaining unit. It states that staffing levels make it difficult to use vacation time. The union indicates that as a result, the city has allowed some patrol officers to accumulate more than 1000 hours of vacation despite the fact that Article 17, Section 6, imposes a cap of 480 hours on the number of hours that can be carried over from one year to another.

The union charges that the city's proposal poses several problems. It claims:

(1) it infringes upon the employees' clear, long-standing, thoughtfully-bargained contractual rights; (2) it is not a practical solution because manpower is critically low and employees cannot take time off regardless of what month of the year it is; and (3) in order for the city to accomplish this forced vacation time usage, an enormous amount of mandatory overtime would be generated, thus causing great "burnout" of the bargaining unit members (even more so than the current unacceptable levels). (Union Pre-Hearing Statement, page 4)

The union adds that "none of these very likely outcomes serves the interests of the public or of the bargaining unit membership." (Ibid.)

Analysis - The Factfinder does not recommend the city's demand. First, the Factfinder understands the city's desire to have patrol officers use vacation when more than five are scheduled to work. He believes, however, that with the current number of patrol officers there may be a limited number of days or weeks when more than five patrol officers are on duty.

Second, the fact that the city's other collective bargaining agreements allow it to assign vacation time to employees does not mean that it should have the same right with respect to the patrol officers. Their duties, responsibilities, and schedules are different from other employees.

The differences may make the scheduling of vacation a greater concern for the city's patrol officers than for its other employees.

Finally, the sentence the city wishes to delete from Article 17, Section 3, has been in the contract for many years. Its elimination could result in the city forcing patrol officers to take vacation at times that are disagreeable to them. The city has not presented the convincing case necessary to recommend the change it seeks.

Recommendation - The Factfinder recommends that the city's demand be denied.

4) Article 22 - Compensation, Section 1 - Wages - The current contract provides a wage schedule for patrol officers starting at \$48,142 and increasing to \$67,998 after two years and wages of \$69,538 for juvenile patrol officers and patrol detectives. The union seeks 3% wage increases effective January 1 of 2015, 2016, and 2017. The city proposes a wage freeze for 2015 followed by 1% wage increases for 2016 and 2017.

Union Position - The union argues that during negotiations, the wage increases offered by the city were inadequate. It states that union members unanimously rejected the city's last wage offer. The union indicates that "the Union membership has spoken loudly and clearly that [a wage freeze in 2015], in the face of 2%, 2.5%, and even 3% annual increases to wages in other local police departments results in an agreement being an impossibility." (Union Pre-Hearing Statement, page 5)

The union contends that Warrensville Heights patrol officers are underpaid compared to other "relevant" departments. It provided the wages and total compensation for a 10-year patrol officer for 2012-2014 for cities in Cuyahoga County. The data show that in 2014 patrol officers in Warrensville Heights earned 98.84% of the average wage for the 28 cities included in the data

and received 97.82% of the average total compensation for the cities.<sup>1</sup> The union maintains that the city's offer falls "well short" of the "going rate."

The union maintains that the city should offer the same wage increases as other cities. It cites Cuyahoga County and Ohio Patrolmen's Benevolent Association, SERB Case No. 2014-MED-07-0964, December 3, 2014, where this Factfinder stated that by recommending a wage increase similar to the increases being received by comparable employees, a Factfinder leaves the array or hierarchy of wages established by the parties intact. (Union Exhibit 11, pages 7-8) The union submitted the State Employment Relations Board's 2014 Annual Wage Settlement Report, which shows the average wage settlement in 2014 was 1.77% statewide, 1.49% in the Cleveland region, and 2.03% for police units. (Union Exhibit 10, page 2)

The union argues that "a once faltering city has righted itself." (Ibid.) It points out that income tax receipts have grown from \$10.0 million in 2009 to \$14.6 million in 2014. (Union Exhibit 3) The union notes that year-end balances have risen from \$660,550 in 2008 to \$3,931,395 in 2014. (Union Exhibit 4) It adds that the city's Standard & Poor's bond ratings have been positive and that the ratings have improved. (Union Exhibit 5)

The union contends that there is no justification for a wage freeze in 2015. It states that patrol officers' wages were frozen in 2009, 2010, 2011, and 2013, which resulted in a 5.5% wage increase between 2005 and 2014. (Union Exhibit, 10, page 1) The union indicates that at the same time, SERB data shows that the wages of patrol officers in Ohio rose 8.806%. It emphasizes that a wage freeze in 2015 would result in five wage freezes in seven years.

City Position - The city argues that the Great Recession of 2008 had a dramatic impact on its finances. It points out that falling revenues resulted in it ending 2009 with a

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<sup>1</sup> The union's data did not include Cleveland or East Cleveland, whose wages and compensation are the lowest in the County.

negative balance inclusive of a beginning year surplus of more than \$500,000. (City Pre-Hearing Statement, page 2) The city notes that as a result, it implemented 10 unpaid furlough days for nonunion employees and pay cuts for salaried employees; laid off a handful of firefighters, laborers, and dispatchers; and reduced city employment from 172 in 2008 to 145 by the end of 2011. (Ibid.)

The city contends that it was forced to ask residents to raise the local income tax. It states that in July 2009 the citizens voted to raise the tax from 2.0% to 2.6%. The city indicates that as a result of the tax increase and expenditure cuts, it ended 2011 with a cash reserve of \$1.7 million. (Ibid.)

The city maintains that since 2011, the revenue cuts imposed by Governor John Kasich and the General Assembly have had a dramatic impact on Ohio cities. It observes that the Local Government Fund was reduced by 51%; the commercial activity tax was eliminated; and the estate tax was ended. The city reports that as a result, it “lost well in excess of \$1 million in revenues due to decisions made in Columbus.” (City Pre-Hearing Statement, page 3)

The city argues that while it has been able to achieve “respectable cash reserve levels,” it still faces significant challenges. It points out that maintaining the level of services to residents despite the reduction in the number of employees has led to substantial overtime. The city emphasizes that reductions in capital spending have left it with significant capital needs, including in the service department.

The city contends that the “real estate crash” has also impacted the city. It reports that its property values fell by 29% by 2012. (Ibid.) The city observes that this was the second largest decline in the county.

The city maintains that the poor condition of its streets constitutes a significant financial problem. It states that in 2015, it must exceed its budgeted street repairs by \$500,000. (City Pre-Hearing Statement, page 4) The city adds that it had to get a \$3 million loan to resurface three of its most severely damaged streets. (Ibid.)

The city argues that the past wage increases received by the patrol officers support its wage offer. It points out that as a result of a Conciliator's award, patrol officers received a 12% wage increase in 2007 and a 6% increase in 2008 while employees in the Fire and Service Departments received 2% and 3% increases. (Ibid.) The city notes that in the last round of bargaining, patrol officers received wage increases of 0% in 2011, 3% in 2012, 0% in 2013, and 2.5% in 2014, compared to increases of 0%, 0%, and 3% and 1%, 1.5%, and 1% for 2012-2014 for employees in the Fire and Service Departments.(City Pre-hearing Statement, page 5)

The city contends that its wage proposal is compelled by two "highly-persuasive circumstances." It states that the IAAF agreed to roll over its existing contract, which equates to a wage freeze for 2015. The city indicates that "its financial condition should not be undone by irresponsible wage settlements -- the likes of which contributed to its financial crisis just a few years ago." (City Pre-Hearing Statement, page 6)

The city maintains that the patrol officers' compensation is comparable to other Cuyahoga County cities. It acknowledges that its salary is in the lower half of salaries in the county. (City Exhibit 12) The city adds, however, that its overall compensation "sits right at the County-wide average for total compensation." (Ibid.)

The city argues that the comparative data should not be viewed in isolation. It points out that its median household income is \$35,461 compared to an Ohio average median household income of \$48,308 and that the average per capita income is \$19,831 compared to \$26,046 in

Ohio. (City Pre-Hearing Statement, page 6) The city notes that 19.3% of its population lives below the poverty level, well above the statewide average of 15.8%. (Ibid.) It emphasizes that despite the economic hardships facing its residents, they pay nearly the highest income tax rate in the county, 2.6%. (City Exhibit 13)

The city contends that while its compensation is at the average for the county, its working conditions are favorable. It reports that patrol officers have abundant overtime opportunities so that the average patrol officer earns approximately \$72,500 in base wages and overtime. (City Pre-Hearing Statement, page 6 and City Exhibit 11) The city claims that its police officers also enjoy “above average” time-off benefits. (City Exhibit 13)

The city maintains that its settlement with the IAFF strongly supports its demand for a wage freeze in 2015. It states that it accepted the IAFF’s proposal for a roll-over of its contract for one year, which resulted in a wage freeze. The city indicates that the OPBA refused to accept a roll-over. It stresses that the IAFF’s wage freeze should be extended to the OPBA.

Analysis - The ability to pay is one of the statutory criteria governing the fact-finding process. In the instant case, the record establishes that the city can afford the union’s demands. While the Great Recession, combined with cuts in state funding, created significant financial problems for the city, it has recovered from the crisis. Income tax collections have increased from \$10,018,241 in 2009 to \$14,608,350 in 2014 and there is no indication that the increases will not continue. The unencumbered General Fund carry-over has increased from \$221,247 in 2009 to \$3,931,395 in 2014. The 2014 carry-over represents 22.6% of the 2015 General Fund budget, a comfortable year-end balance.

The Factfinder recognizes that the city faces a number of financial challenges. In recent years, the city deferred many capital expenditures, including equipment and vehicle purchases.

In addition, last year's harsh winter and delayed maintenance and repairs has left the city needing significant road work.

The Factfinder is confident, however, that the city can meet these obligations and still increase the wages of its patrol officers. The city has developed a plan to repair its streets and is aware of the need to catch up on capital outlays. The continued growth of revenues and the careful monitoring of expenditures will allow the city to increase the wages of its employees just as other cities in Cuyahoga County that face similar challenges have done.

Another important statutory criterion involves comparisons of the wages of the city's patrol officers to their peers in other cities. The city and the union offered the salaries and total compensation for patrol officers in Cuyahoga County as comparable employees. The city's data show that the 2014 average salary of patrol officers in 32 cities is \$68,767 compared to \$67,998 in Warrensville Heights and that the city's salary ranks 21<sup>st</sup> among the 32 cities.<sup>2</sup> The average total compensation for the 32 cities is \$72,530 compared to \$72,257 in Warrensville Heights. The city ranks 21<sup>st</sup> out of the 32 cities in terms of compensation.

The Factfinder recognizes that the salaries and compensation of patrol officers reflect the income and wealth of the cities where they work. While many of the cities included in the city's data have significantly higher per capita incomes and median family incomes, there are cities on the list with similar income and wealth. It is clear, however, that the city's patrol officers are well compensated in view of its median household income and per capita income compared to other cities in the county.

An important consideration for a Factfinder making a wage recommendation is the wage increases received by comparable employees. It is clear from the data submitted by the city and the union, that there is an array or hierarchy of wages in the county that has been established

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<sup>2</sup> The city's data includes Cleveland but excludes East Cleveland.

through many years of bargaining. Unless there is a compelling reason to change a city's standing, the city should remain in approximately the same position compared to the other cities. By recommending that a city's employees receive essentially the same percentage wage adjustment as employees in the other cities, the Factfinder leaves the hierarchy of wages established by the parties intact.

The Factfinder believes that there is useful evidence regarding the wage increases received by other patrol officers. First, while SERB's last annual wage report does not show wage increases for 2015-2017, it indicates that average wage increases in 2014 were 1.77% statewide, 1.49% in the Cleveland region, 1.92% for cities, and 2.03% for police units.

SERB's report also indicates that wage settlements have increased steadily since the end of the Great Recession. For example, the average statewide wage settlement was .73% in 2011, 1.00% in 2012, 1.47% in 2013, and 1.77% in 2014. There is no reason to believe that as the economy continues to improve, wage settlements will not continue to rise.

Second, the union's comparable data does include some information regarding wage increases in 2015 and 2016. (Union Exhibit 10, pages 7 & 9) In 2015, the average wage increase for patrol officers in the 15 cities that had agreed upon wages was 1.75%. Since only five cities had agreed on wages for 2016, no significance can be attached to the average increase. There is, however, no reason to believe that the wage increases of patrol officers will not increase as the economy continues to improve.

Based on the above analysis, the Factfinder believes that the wages of patrol officers should be increased by 6% over the three-year term of the agreement. This recommendation is consistent with the city's ability to pay and the wages currently paid by other cities in the county. It is also consistent with the wage increases being granted by other cities.

The Factfinder, however, recommends that wages be frozen for 2015. First, Mayor Bradley Sellers made a very convincing case for delaying any wage increase until the second year of the contract in order to begin necessary and costly street repairs and to allow the city to start to address its capital needs, including the purchase of patrol cars. Second, the city is not seeking any change in its health insurance until the second year of the contract. This will prevent patrol officers from seeing their take-home pay eroded. Finally, the IAFF agreed to a wage freeze for 2015. Factfinders normally attach substantial weight to internal comparisons, i.e., an employer's settlements with other unions.

The Factfinder recommends that after the wage freeze in 2015, wages be increased by 3% on January 1 of 2016 and 2017. While the 3% wage increases appear larger than those generally being granted in other cities, they reflect the wage freeze in 2015, which was recommended to allow the city to begin to address the problems discussed above.

Recommendation - The Factfinder recommends the following contract language:

The pay scales shall be adjusted as follows:

Wages shall be frozen through December 31, 2015. Effective January 1, 2016, and January 1, 2017, wages shall be increased by 3%.

5) Article 25 - Insurance, Section 1 - Health Insurance - The current contract requires the city to provide hospitalization, prescription drug, dental, and vision insurance. The hospitalization plan includes an annual deductible is \$750 for single coverage and \$1,500 for family coverage; no co-insurance; an office visit co-pay of \$10; prescription drug co-pays of \$10 for generics, \$20 for formularies, and \$30 for non-formularies.<sup>3</sup> Effective January 1, 2016, the city proposes increasing the annual deductible to \$1,000 for single coverage and \$2,000 for

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<sup>3</sup> The annual deductibles and co-pays are for network providers. No information was provided for the dental and vision plans.

family coverage; the office visit copay to \$20 for a primary care physician and \$40 for specialists; and the prescription drug co-pays to \$25 for formularies and \$40 for non-formularies. The union opposes the city's proposed changes in plan design.

The current contract requires employees to pay 10% of the insurance premium subject to caps of \$70 per month for single coverage and \$183.20 for family coverage. The city seeks to increase employee contributions to 13% effective January 1, 2016, and 15% effective January 1, 2017. It also wishes to eliminate the caps on employee contributions. The union opposes any increase in employee contributions and the elimination of the caps.

The current contract has no spousal restrictions. The city wishes to require spouses of employees to use their own insurance for themselves and their children and imposes a \$100 per month surcharge where a spouse or children remains on the city's plan. The union rejects the city's demand.

City Position - The city argues that the Factfinder should recommend its proposed changes in health insurance. It states that it has an "above average" plan and that employee contributions are below the average for other Ohio public employees. The city adds that its healthcare costs have increased from \$1.62 million in 2014 to \$1.88 million in 2015, a 15% increase.

The city contends that the changes in the plan it seeks are consistent with the data shown in SERB's 2014 Annual Report on the Cost of Health Insurance in Ohio's Public Sector. It points out that statewide data show that 24.1% of the annual family deductibles are between \$900 and \$2,399 and that 26.7% are more than \$2,399.<sup>4</sup> (City Exhibit 15, page 18, Table 7.2) The city notes that while its plan has no coinsurance requirement, only 33.3% of the plans in the

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<sup>4</sup> The category consisting of family deductibles of more than \$2,399 includes High Deductible Plans where a deductible of at least \$2,400 is required to have a Health Savings Account.

state have no coinsurance requirement. (Ibid., page 19, Table 8.1) It adds that among plans with coinsurance requirements, the median out-of-pocket maximum is \$1,500 for single coverage and \$3,000 for family coverage. (Ibid., page 20, Table 9.1)

The city maintains that the increases in employee premium contributions it seeks are appropriate. It observes that SERB's 2014 report shows that the statewide average employee premium contribution was \$66 for single coverage and \$187 for family coverage or 11.9% and 12.7% of the costs. (Ibid., page 9, Table 3.2) The city emphasizes that these figures are the employee contributions as of January 1, 2014, and claims that current employee costs are higher and are continuing to rise.

The city argues that the SERB data presented by the union may be misleading. It points out that the \$158 monthly employee contribution for cities with populations less than 25,000 does not include dental and vision coverage. The city notes that if SERB's \$25.87 average monthly employee contribution for cities for family dental coverage (Ibid., page 23, Chart 8) and the \$11.11 average monthly employee contribution for family vision coverage (Ibid., page 24, Chart 9) are added to the \$158 monthly employee contribution for hospitalization and prescription drug coverage in cities with populations less 25,000, the monthly employee contribution becomes \$194.83 compared to \$183.20 paid by the Warrensville Heights patrol officers.

Union Position - The union argues that the city's proposal should be rejected. It states that its proposal is "an overboard series of proposals to an already inadequate health insurance funding scheme." (Union Pre-Hearing Statement, page 6) The union indicates that the city seeks to "maintain the already high deductible, eliminate (rather than negotiate) the dollar cap on premium sharing, increase all co-pays [and] increase all prescription costs." (Ibid.)

The union contends that the city is seeking to increase employee premium contributions even though they are already above the levels shown in SERB's annual health insurance report. It points out that the average monthly employee premium contribution for hospital and prescription drug coverage in cities with populations of less than 25,000 is \$57 for single coverage and \$158 for family coverage or 10.4% of the cost for single coverage and 10.5% for family coverage. (Union Exhibit 9, page 9, Table 3.2) The union notes that in the Cleveland Region, the average employee contribution for single coverage is \$60 or 10.6% and \$157 or 10.5% for family coverage. (Ibid., page 11, Table 3.3)

Analysis - The city currently offers an attractive health insurance plan. It includes annual deductibles of \$750 for single coverage and \$1,500 for family coverage but contrary to most plans, requires no coinsurance payments from employees, i.e., the plan pays 100% of the costs after the deductible is met. The plan has a low office visit co-pay of \$10 and does not have the the higher co-pay for specialists that other plans have. The prescription drug co-pays of \$10 for generics, \$20 for formularies, and \$30 for non-formularies are also less than most other plans. Despite these favorable aspects of plan design, employees are required to pay only 10% of the premium with caps of \$70 per month for single coverage and \$183.20 per month for family coverage.

The city proposes significant changes in both plan design and employee premium contributions. It seeks to double the annual deductibles; double the primary care co-pay and quadruple the specialist co-pays; increase prescription drug co-pays; and at the same time, raise the employee premium share by 50%.

The Factfinder cannot recommend all of the changes in plan design sought by the city. First, the annual deductible should remain at its current level. The larger deductibles sought by the city would be higher than for employees with similar plans.

Second, the Factfinder does believe the office visit co-pays should be adjusted. The current \$10 office co-pay is quite unusual. An increase to \$20 for a primary care physician and \$40 for a specialist is entirely reasonable.

Third, the co-pays for prescription drugs also need to be increased to \$10 for generics, \$25 for formularies, and \$40 for non-formularies. This modest increase leaves the co-pays generally equal to those in other cities.

The Factfinder believes that the employee premium contributions should be increased. This belief is based on the fact that employee premium contributions have steadily increased.<sup>5</sup> For example, in 2010 the statewide average employee contribution was 9.4% for single coverage and 10.6% for family coverage (2010 Annual Report on the Cost of Health Insurance in Ohio's Public Sector, page 8, Table 3.2) but by 2014 the contributions reached 11.9% for single coverage and 12.7% for family coverage (2014 Annual Report on the Cost of Health Insurance in Ohio's Public Sector, page 9, Table 3.2).

Since it is very likely that employee premium contributions will continue to rise, the Factfinder recommends that the contributions in Warrensville Heights be increased to 11.5% on January 1, 2016, and 13% on January 1, 2016. While this is less than the increase to 15% sought by the city, the recommended increases should leave the patrol officers' premium contribution rates comparable to other Ohio public sector employees through the term of the agreement.

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<sup>5</sup> In fact, the current employee premium contributions very likely exceed the rates shown in the 2014 Annual Report of the Cost of Health Insurance in Ohio's Public Sector, which were cited by the union.

The Factfinder rejects the city's proposal to eliminate the dollar caps on employee premium contributions. He believes that the caps must be retained to protect employees from the possibility that unforeseen increases in healthcare costs would erode the effect of their wage increases. At the same time, he finds that the caps must be increased to reflect higher insurance costs. On that basis, he recommends that effective January 1, 2016, the cap for single coverage be increased to \$100 per month and the cap for family coverage be increased to \$240 per month.

The Factfinder is convinced that the city and its employees can work together to reduce healthcare costs. First, the Healthcare Insurance Committee established by Article 25, Section 5, should be able to identify acceptable changes in plan design that will lower the premium costs for the city and for employees. Second, the committee should also explore the possibility of instituting a wellness program. In some instances, such programs have allowed employees to significantly reduce their premium costs.

**Recommendation** - The Factfinder recommends the following contract language:

Effective January 1, 2015, employees shall pay, on a monthly basis, 10% of the City's cost for insurance coverage (hospitalization, prescription drug, dental, and vision) except that employees' monthly contributions shall not exceed \$70 per month for single coverage or \$183.20 per month for family coverage. Employees shall pay all applicable copayments/office visits and other associated out-of-pocket cost charges, in addition to the annual deductible of \$750 for single coverage and the annual deductible of \$1,500 for family coverage.

Effective January 1, 2016, employees shall pay, on a monthly basis, 11.5% of the City's cost for insurance coverage (hospitalization, prescription drug, dental, and vision) except that employees' monthly contributions shall not exceed \$100 per month for single coverage or \$240 per month for family coverage. The office copay shall be \$20 for primary care physicians and \$40 for specialists. The prescription drug copay shall be \$10 for generic drugs, \$25 for formulary drugs, and \$40 for non-formulary drugs. All other aspects of the plan shall remain as in 2015.

Effective January 1, 2017, employees shall pay, on a monthly basis, 13% of the City's cost for insurance coverage (hospitalization, prescription drug,

dental, and vision) except that employees' monthly contributions shall not exceed \$100 per month for single coverage or \$240 per month for family coverage. All aspects of plan design shall remain as in 2016.

6) Article 26 - Miscellaneous, New Section - Death in the Line-of-Duty -

Under the current contract, the city pays a patrol officer's beneficiary his or her accumulated holiday time, sick leave, and vacation time at the rate specified in the contract. The union proposes that the city pay beneficiaries 100% of the accumulated time. The city opposes the union's demand.

Union Position - The union argues that its position should be accepted. It points out that in the U.S., a law enforcement officer dies in the line of duty every 57 hours. The union notes that the adoption of its proposal would provide peace of mind to the patrol officers and their families.

City Position - The city argues that the union's demand should be rejected. It acknowledges that patrol officers have dangerous jobs but indicates that if the union's demand were granted, the benefit would have to be extended to the firefighters.

Analysis - The Factfinder does not recommend the union's demand. While he understands that the patrol officers have dangerous jobs and can make a good case that the city should provide economic security to their families should they be killed in the line-of-duty, a more appropriate and effective way to accomplish this goal is through life insurance where a cash payment would be assured regardless of whether the police officer had accumulated leave balances. If the union feels that the life insurance provided for in Article 25, Section 3, of the contract is inadequate, it can seek to increase that amount in the next round of bargaining.

Recommendation - The Factfinder recommends that the union's demand be denied.

7) Article 26 - Miscellaneous, New Section - Priority Days - The union proposes the creation of two "priority days" each year. They are vacation days or compensatory time usage days where employees must be granted time off as long as it is requested 30 days in advance. The city opposes the union's demand.

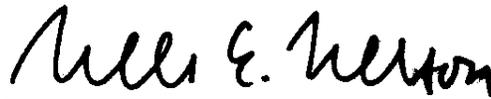
Union Position - The union argues that the Factfinder should recommend its demand. It states that because of inadequate staffing, it is "nearly impossible for an employee to take a vacation day or compensatory time day off unless it is planned during the annual bidding process [during December of each year]." (Union Pre-hearing Statement, page 7) The union claims that this creates a strain on employees and the scheduling system.

City Position - The city opposes the union's demand. It acknowledges that it is sometimes difficult to get time off but claims that "priority days" will create overtime when it is at the five-man minimum. The city observes that patrol officers are able to get a day off by trading time with another patrol officer.

Analysis - The Factfinder does not recommend the union's demand for priority days. Public sector collective bargaining agreements include a variety of different kinds of time off and the Factfinder is hesitant to create another one. If a patrol officer is unable to schedule a vacation day or to use comp time, he or she can attempt a trade of time. It appears that if the city wishes to maintain its five-man minimum of patrol officers on duty, it must hire and retain additional officers.

Recommendation - The Factfinder recommends that the union's demand be denied.

8) Article 18 – Sick Leave, New Section – No-Fault Attendance Policy -  
The Factfinder recommends the tentative agreement reached by the parties be adopted.



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Nels E. Nelson  
Factfinder

July 24, 2015  
Russell Township  
Geauga County, Ohio