

STATE OF OHIO
BEFORE THE STATE EMPLOYMENT RELATIONS BOARD

In the Matter of Fact-Finding Between

The Ohio Patrolmen's Benevolent Association,

Employee Organization

Case No. 2016-MED-11-1345

And

The Hancock County Sheriff's Office

Fact-finder: Jerry B. Sellman
Date of Report: October 2, 2017

The Employer

FACT-FINDER'S REPORT AND RECOMMENDATION

APPEARANCES:

FOR THE EMPLOYEE ORGANIZATION:

Yvonne A. Trevino, Esq. – Counsel with the Ohio Patrolmen's Benevolent Association,
representing the Union

S. Randall Weltman, Esq. – Attorney, representing the Ohio Patrolmen's Benevolent Association

FOR THE EMPLOYER:

Patrick S. Randall – Regional Manager, Clemens, Nelson & Associates, Inc., representing the
Hancock County Sheriff's Office

INTRODUCTION

This matter concerns a Fact-finding proceeding between the Hancock County Sheriff's Office (hereinafter referred to as the "Employer" or the "Sheriff") and the Ohio Patrolman's Benevolent Association, (hereinafter referred to as the "OPBA" or the "Union"). The State Employment Relations Board (SERB) duly appointed the undersigned as Fact-finder on May 31, 2017, to conduct a Fact-finding hearing concerning a new Collective Bargaining Unit for the Deputy I Corrections Officers with the Employer. A Fact-finding hearing was held on September 18, 2017, at which time the Fact-finder was presented with the following open issues identified and discussed by both parties:

- Article 9 – Hours of Work and Work Schedule
- Article 14 – Sick Leave and Leaves of Absence
- Article 19 – Vacation
- Article 20 – Holidays
- Article 21 – Wages
- Article 22 – Insurance
- Article 25 – Discipline
- Article 32 - Duration

The Fact-finder invited the parties to enter into mediation pursuant to the Ohio Administrative Code and the Policies of SERB in an effort to find consensus on the remaining disputed provisions of the new Collective Bargaining Agreement. The Parties engaged in mediation and were able to mutually agree on language to be used in Article 9, Hours of Work and Work Schedule; portions of Article 14, Sick Leave and Leaves of Absence; Article 20, Vacation; Article 22, Insurance; and Article 25, Discipline. While concessions were given by both parties on these issues, they were unable to mutually agree on the following issues which remained opened for consideration by the Fact-finder.:

- Article 14 – Sick Leave
- Article 19 – Vacation
- Article 21 – Wages

Article 32 – Duration

The Fact-finding proceeding was conducted pursuant to the Ohio Collective Bargaining Law as well as the rules and regulations of the State Employment Relations Board, as amended. During the Fact-finding proceeding, this Fact-finder provided the parties the opportunity to present arguments and evidence in support of their respective positions on the issue remaining for this Fact-finder's consideration. The Parties waived the taking of a transcript.

In making the recommendations in this report, consideration was given to all reliable evidence presented relevant to the outstanding issues before him and consideration was given to the following criteria listed in Rule 4117-9-05 (K) of the State Employment Relations Board:

- (1) Past collectively bargained agreements, if any, between the parties;
- (2) 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;
- (3) 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;
- (4) The lawful authority of the public employer;
- (5) Any stipulations of the parties;
- (6) Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed-upon dispute settlement procedures in public service or in private employment.

I. BACKGROUND

The appointing authority is the Hancock County Sheriff's Office. Hancock County is approximately forty-five (45) miles south of Toledo and one hundred ten (110) miles north of Dayton, placing it squarely in the 1-75 Corridor. Its proximity to major population centers,

access to major transportation routes, and its rural location has created very strong business and growth rates.

The OPBA bargaining-unit consists of approximately twenty-eight (28) full-time corrections officers, who perform security and custody duties to those individuals remanded to the care and custody of the Sheriff in the Hancock County Jail.

At the onset of negotiations for new collective bargaining agreements with Unions representing employees of the Sheriff's Office, the Sheriff's Office met with all of the bargaining units represented by the OPBA [four (4) total units] and a bargaining unit represented by the International Union of Police Associations (IUPA). Three of the OPBA bargaining units (Communications, Deputies, Deputy Sergeants) ratified the same tentative agreements, thus ending those negotiations. Another bargaining unit (C.O. Supervisors) represented by IUPA also signed the same tentative agreement as the three other OPBA units, which has since been ratified.

The Employer maintained that the current Corrections Officers unit has been faced with the same economics and the same issues as the other bargaining units. The OBPA disputes this conclusion, at least as it relates to difficulty in keeping new hires and the resulting overtime pressures put upon the Corrections Officers. Nonetheless, the Employer maintains that because all of the bargaining units are faced with the same economics and the same issues, it has during these negotiation rounds, and historically, engaged in pattern bargaining to create parity within the employee groups and that this unit, as one (1) of the five (5) bargaining units, should be subject to the same terms of a collective bargaining agreement as agreed to by the other units.

The parties met on at least three (3) occasions to attempt to negotiate a settlement for the initial agreement.

Documentation provided at the hearing indicates that the financial condition of the County is healthy. The County maintains a population of approximately 40,000 individuals and is home to the second largest city in Northwest Ohio - Findlay. The community is thriving, and Findlay is seeing record growth, which is expected to continue. According to the County's Comprehensive Annual Financial Report CAFR), the General Fund revenue increased for 2016 to \$24,246,050 million from \$ 23,238,695 in 2015, and from \$22,201,694 in 2014. The County maintained an unrestricted General Fund balance of \$3,013,125 in 2016 or a 15% balance to expense ratio. In addition to the General Fund, the County maintains a Flood Mitigation Fund and a Budget Stabilization General Fund.

The Flood Mitigation Fund maintained a healthy balance of at the end of 2016 in the amount of \$16,370,597. To meet future obligations, the County commissioners passed a separate resolution outlining a quarter percent of the tax funds that would be earmarked for flood relief that is due to expire in 2018. In August 2017, the County Commissioners voted to place a proposed renewal of the 0.25 percent (¼%) sales tax for flood reduction on the ballot for this November. If passed, this would earmark future monies to the Flood Mitigation Fund allowing more revenue to remain in the general fund

The Budget Stabilization General Fund had a healthy balance of \$1,200,000 at the end of 2016. These funds are unrestricted and could be placed in the general fund at any time.

Based upon its financial condition, the County maintains one of the highest ratings by Moody's of Aa2 and Standard and Poor's rating of (AA-).

In light of the general above information, the arguments of the parties set forth below, and based on my consideration of an overall solution to the positions and concerns of the parties

in light of criteria listed in Rule 4117-9-05 (K) of the State Employment Relations Board, the Fact-finder provides the following recommendations on the remaining disputed issues.

II. UNRESOLVED ISSUES

1. ARTICLE 14 – SICK LEAVE

The Union's Position

The Union proposes to modify the language in Section 14.3 that currently permits the Sheriff to require a bargaining unit member to furnish a certificate or medical documentation of the member's illness, or that the member was required to care for a family member, to justify the use of sick leave. The modified language would permit the Sheriff to require such documentation only if the absence(s) is three or more days. Currently the Employer may require such documentation for any absence.

The Union argues that the current language gives the Employer arbitrary discretion. Under the current language, the Employer can target an individual and cherry pick from whom to require medical documentation. This is not only discriminatory, it is superfluous to require such information when someone only has the 24-hour flu or is just unable to work for one day due to feeling ill.

The Employer's Position

The Employer proposes to retain current contract language. It opposes the Union's proposal because the current language has been included in all of the collective bargaining agreements since the first agreement and there is no evidence that the Employer has acted arbitrarily in requesting medical documentation for absences. The same language is also contained in all of the collective bargaining agreements of the Employer's bargaining units, four of which have just recently ratified a new agreement containing the same language.

The Sheriff has had to investigate possible sick leave abuse in the past, and the Union's proposed change would hinder such investigation into the proper use of public taxpayer funds. The Union's proposal would permit employees to falsify a sick leave request for one or two days, and the Sheriff finds this unacceptable.

Discussion, Findings and Recommendation

While I understand the bargaining-unit members desire to limit the discretion of the Sheriff in determining when medical documentation can be required to justify or support the use of sick leave, there was no evidence demonstrating that the Sheriff has abused his discretion in the past or has targeted individuals to submit such documentation. From the testimony, it appears that only employees suspected of abusing the sick leave policy were required to submit documentation for a one (1) or two (2) day absence from the workplace. Since this exact language has been in predecessor corrections officers' collective bargaining agreements and exists in all other collective bargaining agreements with the Sheriff, I can find no basis for modifying the language absent any demonstration of abuse of discretion on the part of the Employer. For that reason, I will recommend retention of current contract language.

RECOMMENDATION

It is recommended that the language in ARTICLE 14, Section 14.3, remain the same as in the prior contract.

2. ARTICLE 19 - VACATION

The Position of the Union

The Union proposes to restructure the level of entitlement to vacation leave under Article 19, Section 1, by decreasing the number of years a bargaining unit member must work in order to

receive more hours of vacation and adding an additional step at twenty-five (25) years as follows:

<u>Length of Service</u>	<u>Weeks</u>
After one (1) year	80 hours
After seven (7) eight (8) years	120 hours
After fourteen (14) fifteen (15) years	160 hours
After twenty (20) twenty-five (25) years	200 hours
After twenty-five (25)	240 hours

By restructuring the current vacation scale, the Union argues that employees would be rewarded and provided an incentive to maintain their employment with the Hancock County Sheriff's Office. Over the last several years, the corrections unit has experienced an unusual amount of employee turn-over. As an example, from February 2013 until September 2017 (approximately 55 months), the Employer has hired forty (40) Corrections Officers and 38 have left their position for various reasons. The Employer has undoubtedly had difficulty retaining employees in this unit. By allowing the employees to increase their entitlement to vacation time earlier, it will help in retaining these officers. Secondly, by adding an additional step for increased entitlement to vacation leave [at twenty-five (25) years], the Sheriff's office will retain seasoned officers, which are needed to supervise so many inexperienced corrections officers. This additional step will have a minimal impact on the Employer since there are only three or four officers that would be able to take advantage of vacation at this level.

The Position of the Employer

The Employer and the Union both agree that restructuring the level of entitlement to vacation leave under Article 19, Section 1, by decreasing the number of years a bargaining-unit member must work in order to receive more hours of vacation will be beneficial in retaining new hires. It opposes adding an additional step for officers working over twenty-five (25) years

because it is unnecessary and is, under the new proposal, more generous than other groups, both internally and externally.

Only three (3) of the ten (10) comparable surrounding Sheriff's Offices provide 240 hours of vacation. The Hancock County Sheriff is well in the majority of providing the 200 hours of vacation. With the proposal of the Union and the Sheriff, these employees will receive vacation at seven (7) and fourteen (14) years of service. This is an additional forty (40) hours of vacation before any comparable employees receive the same amount. Not only are they going to get three (3) weeks of vacation after seven (7) years (instead of 8) and four (4) weeks after fourteen (14) years (instead of 15), they will be able to earn five (5) weeks of vacation after twenty (20) years instead of twenty-five (25). The Sheriff believes that such an advance vacation schedule is a sufficient incentive for an employee to continue employment, and there is no need to add an additional step.

The Employer points out that the other four (4) Bargaining Units signed the same tentative agreement on this issue. The only group that does not have this schedule at this point is the non-bargaining unit employees.

Discussion, Findings and Recommendation

Since the Employer and the Union have both agreed to restructure entitlement to vacation leave at levels up to twenty years, this joint proposal will be recommended. The only disagreement on Article 19 is in regard to adding an additional step at twenty-five (25) years.

It is clear from the evidence presented by the Employer and the Union that the Sheriff is experiencing difficulty in retaining new Corrections Officers. Their agreement to provide vacation benefits to the young Corrections Officers at earlier times in their career makes sense. Since there has been a high turnover, there is also more of a need to keep senior bargaining unit

members to help supervise, as argued by the Union. I believe it is in the best interest and welfare of the public in Hancock County to further incentivize these senior officers under these circumstances, particularly since the economic impact on the Employer is minimal.

RECOMMENDATION

It is recommended that the language in ARTICLE 19 be amended to modify entitlement to vacation after years one through twenty as proposed by both parties and modified to include an additional forty hours of vacation after twenty-five years. All other provision in Article 19 shall remain the same as in the prior contract. Article 19, Section 19.1 shall read as follows:

ARTICLE 19
VACATION

Section 19.1. All full-time bargaining unit employees shall be entitled to vacation leave as follows:

YEARS OF COMPLETED SERVICE	ANNUAL VACATION	MAX. ALLOWED TO ACCUM.	HRS. ACCUM. PER 80 HRS. PAY
After 1	80 hours	240 hours	3.1 hours
After 7	120 hours	360 hours	4.6 hours
After 14	160 hours	480 hours	6.2 hours
After 20	200 hours	600 hours	7.7 hours
After 25+	240 hours	720 hours	9.2 hours

No vacation leave shall be carried for more than three (3) years.

3. ARTICLE 21 – WAGES AND COMPENSATION

The Employer’s Position

The Employer proposes a 2% wage increase effective March 8, 2017, a 2 % wage

increase effective March 8, 2018, and a 2% wage increase effective March 8, 2019. The Employer rejects the Union's proposals to add continuous yearly wage increases via a new quarterly employment bonus of \$150.00 (\$600.00 yearly) and a ten-year increase in the longevity cap from 20 years to 30 years.¹

The Employer believes that its wage increase is appropriate for this Bargaining Unit and argues that its proposal should be recommended based upon the core of the economic pattern bargained with the other bargaining unit employees, the County's historical and current financial condition, internal and external comparable wage compensation data, and forecast revenues for the duration of this Agreement.

The Sheriff offered the same wage increases and the same insurance package proposed here to the other four (4) Bargaining Units in May 2017. The OPBA represents three other Bargaining Units (4 total) and the IUPA represents the Corrections Supervisors bargaining unit. Based upon the basis of pattern bargaining, the Employer argues that the Arbitrator should adopt the same wage package for this Bargaining Unit.

The Employer argues that it has consistently offered the same wage increases to all of the Bargaining Units over numerous years as demonstrated by the following chart:

¹ The Union did not propose increasing the longevity cap from twenty (20) to thirty (30) years in its proposal, but the language was inadvertently included in Section 21.2 of the Union's "proposed language." As such it was considered a typographical error, not a proposal. The Employer objected to this expansion of the longevity cap.

**Hancock County Sheriff's Office
Summary of Raises**

	Enforcement Bargaining Units			Corrections Barg. Units		
	Non-Union	Sgts	Deputies	Dispatch	Sgts	Corrections Officers
2001	3.50%	3.50%	4.00%	4.00%	3.50%	4.00%
2002	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%
2003	0.00%	3.50%	3.50%	3.50%	3.50%	3.50%
2004	3.00%	3.50%	3.50%	3.50%	3.50%	3.50%
2005	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
2006	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
2007	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2008	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
2009	** 0%	2.80%	2.80%	2.80%	2.80%	2.80%
2010	** 0%	2.80%	2.80%	2.80%	2.80%	2.80%
2011	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2012	2.50%	2.20%	2.20%	2.20%	2.20%	2.20%
2013	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
2014	2.80%	2.50%	2.50%	2.50%	2.50%	5.00%
2015	2.50%	2.50%	2.50%	2.50%	2.50%	1.25%
2016	2.50%	2.50%	2.50%	2.50%	2.50%	1.25%
2017	2.00%	2.00%	2.00%	2.00%	2.00%	
2018		2.00%	2.00%	2.00%	2.00%	
2019		2.00%	2.00%	2.00%	2.00%	
	38.55%	51.05%	51.55%	51.55%	51.05%	45.55%

There are some instances where a higher percentage was offered to a bargaining unit, but that action was taken to adjust salaries that had fallen behind in the market. Such is not the case in today's market. The Sheriff maintains that bargaining unit employees are paid very comparably to other employees in the area doing the same work. See chart below:

**HANCOCK COUNTY SHERIFF
FACT-FINDING CORRECTIONS OFFICERS
EXTERNAL WAGE COMPARABLES
2017**

Counties	County Population	Entry Hourly Rate	Upon Completion of One (1) Year of Service Hourly Rate	Top Hourly Rate	Number of Steps	Years to Last Step
Allen*	106,331	\$16.51	\$17.63	\$18.57	4	1.5
Auglaize	45,949	\$17.50	\$20.87	\$25.39	6	5
Hardin	32,058	N/A	N/A	N/A	N/A	N/A
Henry	28,215	N/A	N/A	N/A	N/A	N/A
Paulding	19,614	\$14.75	\$15.43	\$18.21	6	5
Putnam	34,499	\$14.12	\$14.69	\$16.47	5	5
Sandusky	60,944	\$19.79	\$21.92	\$22.68	3	2
Seneca	56,745	\$16.49	\$18.49	\$20.06	5	3
Van Wert	28,744	\$13.77	\$14.91	\$16.45	5	5
Wood	125,488	\$18.14	\$18.14	\$24.84	9	25
Wyandot	22,615	\$17.94	\$17.94	\$20.77	4	8
Hancock (Current)	74,782	\$18.09	\$20.15	\$20.15	3	1
Employer's Proposal	--	\$18.45	\$20.55	\$20.55	3	1

As a result, the comparability and the appropriate amount of wage increase should not be in question in this case. The question is whether these bargaining unit employees should be awarded economic increases larger than external employees doing the same work and more money than agreed to in an economic package negotiated with the other 4 bargaining units who represent the majority of employees at the Sheriff's Office.

The Union is arguing that an additional \$600.00 non-discretionary bonus be given to an employee for continuing to work at the Sheriff's Office. This is not for service above and beyond or for some performance related behavior. This bonus will be for just showing up. This proposal is just a way to institute a hidden wage increase that continues forever. The Union's proposal is an approximate 1.4% wage increase. This is because after it is earned by coming to work, it then

gets added to your base hourly rate that never goes away until the employee quits, retires, laid off or discharged. Additionally, the bargaining unit employees already earn an incentive for coming to work through the longevity benefit. This benefit will cost a minimum of \$20,000.00 dollars in the first year without considering overtime inclusion and additional payroll related costs. That is approximately 0.5 of a full time equivalent employee.

The bonus should be rejected, particularly in light of the longevity pay the bargaining unit members already receive. The longevity benefit is unique to this Sheriff's Office and the comparable Offices in that it is based on percentage increases. After 5 years of service, the employee earns an additional 0.5% wage increase. After 20 years, the employee is receiving an additional 8% added to the hourly wage. This is above what any of the other comparable jurisdictions receive. Not only is this benefit an economic incentive to stay, but also serves as a built-in wage step for 20 years. When this is considered, the hourly rate is actually more comparable than the base comparisons show.

The Union's proposal for the employment bonus is lacking in detail, vague, and unworkable. There is no definition of what is meant by "worked in the year." Does the employee need only be employed during that quarter, have attended at least one day in the quarter, must work or be on approved paid leave for the entire quarter, etc.? This vague language is sure to cause grievances and most certainly end in interpretation arbitration. Such a new large economic benefit should be thoroughly bargained by and between the parties. In this case, the Union proposed this in the first and last package proposal. Until the Union's submission statement, it was not known that elements from their package proposal was going to be presented. There is just no compelling reason to award this proposal.

A comparison of what a corrections officer makes in relation to the average tax paying

county resident is just as important as the wage comparison in other jurisdictions and the demonstrated pattern bargaining in the County. A corrections officer makes 54.49% more than the average taxpayer comparing the Hancock County Per Capita Income (\$27,129) with the salary of a Hancock County Corrections Officer (\$41,912). These are the same taxpayers that are being asked to approve two tax levies this year in November 2017.

The Sheriff is totally dependent upon allocations from the general fund that it receives from the Board of Commissioners, and the Sheriff has no ability to increase its revenues or budget. The Sheriff's budget has remained a consistent 32% to 33% of the general fund. As the general fund goes up or down, so has the Sheriff's budget allocated by the Commissioners. The amount of economic increases found in the Sheriff's proposal have already been approved for funding by the Commissioners as the Commissioners ratified the exact same package for four (4) other bargaining unit employees (representing 47 employees).

While the Union has argued that any fund under the Commissioners is available to be tapped for their funding, such as the Flood Mitigation Fund and the Budget Stabilization General Fund, local emergencies have been a very large problem over the years for Hancock County, and those funds were created for those purposes. The County has been plagued over the past several years with extreme flooding by the Blanchard River, which runs right down the middle of Findlay. The Flood Mitigation efforts have been ongoing for years to address the millions of dollars lost by residents and businesses due to flooding, and those funds come out of the Flood Mitigation Fund. The Budget Stabilization General Fund is there for unforeseen emergencies, not for wage increases.

The wage increases in the Sheriff's Office have been historically very consistent among all of the bargaining units. There have been two occasions recently that this bargaining unit

received more than the others in order to adjust the wage scale to be more comparable. This has worked as the Sheriff and the Union agree on the comparability of wages and benefits. There is no need for increases above those proposed by the Employer in this new Collective Bargaining Agreement.

The Union's Position

The Union initially proposed a wage increase of two percent (2%) per year for all three years on the condition that the language of a quarterly bonus is adopted into the Collective Bargaining Agreement that states each employee shall receive a quarterly bonus of \$150.00 for each yearly quarter the employee works in the calendar year. The bonus amount earned shall then be divided by 2080 hours and subsequently added to the base hourly rate of the employee for the following year. The quarterly bonus earned in 2017 would be applied to their hourly rate in 2018; the quarterly bonus earned in 2018 would then be applied to their hourly rate in 2019. In light of concessions made in mediation at the Fact-finding hearing by withdrawing its proposals on Insurance and Holidays, it requests that the Fact-finder recommend more than the 2% per year to compensate for the increase in insurance costs and the lack of an increase in entitlement to additional vacation pay for holidays worked.

The Union argues that the wage increases are necessary to attract and keep new corrections officers. From February 2013 until September 2017 (approximately 55 months), the Employer hired forty (40) Corrections Officers and 38 have left their position for various reasons. The Sheriff's Office does not retain these individuals because the economic package offered is insufficient. To be retained, new Corrections Officers need to take home more money, which can only result from higher wages, lower insurance co-pays and premium costs, and better pay for holidays worked. Higher wages and an additional bonus is reasonable in light of the

increased work that is performed by fewer Corrections Officers and comparable salaries of Deputy Sheriffs.

The County continues to greatly increase the work demands on the current members. Corrections officers maintain supervision for an average of 90-100 inmates on a daily basis. The Employer continues to understaff the department while maintaining similar inmate volumes to previous years without additional manpower. As a result, the Corrections Officers are working longer hours to ensure the supervision and needs of the inmates are being handled appropriately. Corrections officers are overworked as additional officers have not been replaced since employees have quit throughout the last several years. While the Employer argues that Corrections Officers should not be treated differently than other bargaining units, the Union has expressed on more than two occasions that retention among Corrections Officers is what differentiates this unit from other bargaining units in comparable jurisdictions.

The Employer's argument that the Corrections Officers' longevity payments should be considered in the overall wage package should be rejected. Longevity payments have no value until after ten to fifteen years of service, because they do not start until after five continuous years of service and then only equate to one-half percent (.5%) for each year thereafter. The longevity payment does not address the need for younger Corrections Officers to be paid more in the early years to retain them. Currently, only seven (7) out of thirty-two (32) officers will benefit from longevity payments.

The difference between the offer of the Sheriff and the Union is approximately \$20,000. Financial records of the County show that jail operational costs are consistently under budget by more than \$20,000. In 2016, the jail operational costs were \$36,964 under budget; in 2015, they were \$25,642 under budget; in 2014, they were \$20,981 under budget; and in 2013, they were

\$155,516 under budget. This factor, combined with the General Fund Surplus at the end of 2016 at 21% and a Stabilization Fund of \$1,200,000, there is sufficient funds in the Sheriff's Office budget, as well as the overall budget, to fund the Union's request for additional wages.

Based upon the 2016 SERB Survey on Average Monthly Employee Contributions to Medical Premiums, employees in the Toledo region are paying about 13.7% of premium costs. This Bargaining Unit is currently paying 17% of premium costs and the current plan allows for an increase up to 20%. Our bargaining unit members are currently paying 3% more of the Employer's premium costs compared to others in the Toledo region. When our wages are compared to other corrections officers in just the Toledo region, we are already behind in take-home pay because of the increased employee contributions we must make under our plan. For this reason, our wages need to be increased to achieve parity with employees in these other jurisdictions.

The County's CAFR demonstrates that Hancock County is financially healthy. General Fund revenues are increasing every year. Revenues increases from \$22,201,694 in 2014, to \$23,238,695 in 2015, and to \$24,246,050 in 2016. The County maintained an unrestricted General Fund balance of \$3,013,125 in 2016 or a 15% balance to expense ratio. The Flood Mitigation fund has increased and more dollars are expected with the passage of a replacement levy this Fall. County Sales and Use taxes have increased each year since 2013.

The County has a low unemployment rate due to continued available employment from multiple global companies; it is ranked 4th out of 88 counties for 2015, averaging a 3.6 percent unemployment rate remaining under the state average of 5.3 percent. Hancock County is home to many large, global companies such as Marathon Petroleum Corporation and Whirlpool Corporation. McLane completed construction of its \$119 million, 337,831 square foot grocery

distribution center. The Blanchard Valley Health System has seen incredible growth. MPLX, LP, a subsidiary of Marathon, added 150 jobs to the community. Personal incomes in Hancock County increased by \$1.23 billion, or 33 percent over the last ten years. Clearly, the County is healthy and can afford the increases sought by the Union.

The Employer argued that the Corrections Officers were making substantially more than the average individual in Hancock County. A fairer comparison would be to compare the Corrections Officers' salaries with the County Median Household Income (\$50,895), not the Per Capita Income of individuals in the County. Under this comparison, they are clearly not making more.

Discussion, Findings and Recommendation

The overall economy and financial health of Hancock County is indisputably in very good condition. Its current financial health is due to many factors, including solid employment from several global and local companies and sound fiscal management by the County. In recognition of this, the Employer is proposing a wage increase for the Corrections Officers. The issue is not whether an increase is affordable or deserved, but how much is appropriate in light of a number of factors. When considering the appropriate wage rate to be paid, consideration must be given to internal and external wage comparisons, consistency of a wage and benefit package offered and given to employees by the public employer in the same governmental sector, the total wage and benefit package taken as a whole, and the impact of those wages in light of the interest and welfare of the public.

The Employer's primary argument is that it has engaged in pattern bargaining over the years among the various unions representing bargaining units engaged in collective bargaining with the Employer and since the other bargaining units have agreed to a two percent (2%) wage

increase over their three-year contract (and other terms having an economic impact), under the concept of pattern bargaining, the Corrections Officers' bargaining unit should be required to accept the same wage rate. In examining the facts of this case, I would not conclude that the Hancock County Sheriff has technically been engaged in pattern bargaining over the years, but I would agree that the County has consistently sought parity in wage increases it gives to its employees.

Pattern bargaining had its genesis initially with the unions, but more recently has been used by employers. Three features characterize pattern bargaining. First, the employer negotiates with the union sequentially. Second, the employer chooses the order with which it negotiates with the unions. Third, the agreement reached with the first sequence (this bargaining unit is often referred to as the target) sets the pattern for all subsequent negotiations. In the strictest interpretation of pattern bargaining, the agreement with the target exactly defines the offer that the employer makes to all bargaining-units with which it subsequently negotiates. This procedure is generally used in larger jurisdictions with multiple unions serving the same jurisdiction. Typically, the target union has the largest number of bargaining-unit employees. The parties have usually staggered the expiration dates of the various collective bargaining agreements to afford the target union the opportunity to assume the lead in negotiations. Those terms of a new collective bargaining agreement, which are negotiated with the target union, form the basis of negotiation for the following smaller bargaining units. Under the facts of this case, I do not see the existence of all of these fundamental elements of pattern bargaining. There is no evidence that negotiations have always been initiated with the largest bargaining-unit first, that staggered expiration dates of the various collective bargaining agreements were developed, or that subsequent negotiations took place following a pattern bargaining procedure. That said, I do

believe the Employer has historically sought to negotiate parity on core economic terms and conditions of employment among the various bargaining units, so there are many similarities to pattern bargaining. This concept (parity) is recognized by many Fact-finders as creating equitable treatment of employees, which results in overall better labor relationships. Where an Employer demonstrates consistency in negotiating parity on core economic terms and conditions, consistent treatment should be afforded unless there are clear extenuating circumstances supporting an exception.

The evidence demonstrates that since 2001, the Employer has been consistent in offering all of its employees the same wage increases and other core economic benefits, with few exceptions. Creating such parity among all of the county employees promotes better labor relationships and is in the best interest and welfare of the public. The Employer has also offered the same benefit package to its employees, so parity also established in that respect.

The evidence also demonstrates that the Corrections Officers in Hancock County are paid comparable wages to other public and private employees (corrections officers) doing comparable work. Of the wages paid to corrections officers in eleven (11) comparable and contiguous counties cited, only Wood County and Sandusky County Corrections Officers were paid higher wages after one year, and only Auglaize and Sandusky Corrections Officers were paid higher than this Bargaining Unit after the officers reached the highest step level.² It must also be noted that neither Auglaize nor Wood County Corrections Officers are paid longevity payments, which payments would reduce the disparity in take-home pay over time. Hancock County Corrections Officers are paid wages above the average of the comparable counties cited.

The Union's argument that these wages are diluted, in comparison to corrections officers

² 2017 Comparisons as set forth above.

in other counties, because of the higher health insurance premium contributions, is indeed a cogent argument, but an analysis of the dilution shows that it does not have a significant impact on the overall wage comparison. SERB reports indicate that employee contributions to health care premiums in the Toledo region³ are around 13.7% and on average statewide around 13.2%, compared to the current 17% paid by this Bargaining Unit. SERB reports that the average employee contribution for family coverage for 2017 in the Toledo region is \$215.32. Based upon a 2017 family PPO premium cost of \$1510.75 in Hancock County, a corrections officer contribution at the current 17% would be \$256.83, or \$41.51 more per month. As argued by the Union, this would amount to almost \$500 a year or almost two percent (2%) of their wages. When this is computed on a cents- per-hour basis (\$500/2080 deducted from the hourly wage), the decrease in the wage rate does not change the overall wage comparison made above. The Corrections Officers are still paid above average and more than most of the corrections officers in comparable counties (with the exceptions cited).

The primary concern of the Union is that the Sheriff cannot retain Corrections Officers because the wage and benefit package is insufficient. That creates more work for the core group of corrections officers and more overtime. The Employer argues that it has had no difficulty in attracting new corrections officers because it offers a comparable wage and benefit package. The Sheriff cannot retain them, not because of the wage and benefit package, but because they ultimately do not like the work or their co-workers. No evidence or testimony from former corrections officers was submitted by either party to support their argument, so there are no facts in the record upon which to determine the actual cause of the revolving door for new corrections officers.

³ Allen, Defiance, Fulton, Hancock, Hardin, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert,

Recognizing the above factors, it is my determination and recommendation that a wage increase in the amount of two percent (2%) for each year of the Agreement is warranted and affordable by the County. Based upon the County's consistency in offering an identical wage and benefit package to all of its employees, I can find no compelling reason to deviate from that practice. This is particularly the case where all of the other internal bargaining unit employee groups also work for the Sheriff's office. Granting an increase to the Corrections Officer over all other union units working for the Sheriff would create a great deal of disharmony without any particular compelling reason supporting the disparity.

The Corrections Officers are paid comparable wages to other corrections officers in the region and the increased contributions by the Hancock County Corrections Officers to health insurance premiums do not significantly change that conclusion. Without some compelling reason, it is in the best interest and welfare of the County to continue to seek parity of wages in the jurisdiction.

While the Union argued that an additional bonus was necessary and deserving, the Fact-finder does not conclude that it is necessary to further advance the Corrections Officers' wage scale to what would amount to an additional compounding 1.5% a year to remain competitive with comparable jurisdictions. Such an increase would result in increases well beyond SERB benchmark increases reported in various comparable categories, including regions, jurisdictions, and service type.

In summary, a two percent (2%) wage increase for each year of the Agreement is recommended, but the additional bonus is not. This wage increase will keep the Corrections Officers competitive with comparable jurisdictions, is in the best interest and welfare of the

public, and is within the ability of the County to finance and administer the increase during the term of the proposed new Agreement.

RECOMMENDATION

It is recommended that wages of the bargaining-unit members be increased by two percent (2%) each contract year (2017, 2018, 2019) and retroactive to March 8, 2017; it is not recommended that an additional bonus be added to the current wage scale

4. Article 32 – DURATION

The Union's Position

The Union proposes to modify the language in Section 32.1 to the effective dates of March 8, 2017, until March 7, 2020. In addition, the Union seeks to include language into a new section (32.5) that would provide that should an arbitrator-conciliator be appointed pursuant to the provisions of Chapter 4117, that arbitrator-conciliator shall have the authority to order increases in wage rates and other economic items in the fiscal year in which the arbitrator-conciliator is appointed.

The current contract has a mid-year expiration date and therefore places the Union in a disadvantageous position unlike many contracts that expire at the end of the year. Additionally, the proposed language provides the arbitrator-conciliator discretion to determine whether financial increases would apply in the year in which they were appointed. This provides no guarantee for the Union and no disadvantage to the Employer as it simply permits the appointed hearing officer the discretion to render a decision on economic matters for that particular year.

Currently, under the provisions of O.R.C. 4117.14(G)(11), “[i]ncreases in rates of compensation and other matters with cost implications awarded by the conciliator may be effective only at the start of the fiscal year next commencing after the date of the final offer

settlement award; provided that if a new fiscal year has commenced since the issuance of the board order to submit to a final offer settlement procedure, the awarded increases may be retroactive to the commencement of the new fiscal year. The parties may, at any time, amend or modify a conciliator's award or order by mutual agreement.” In order to give a conciliator more flexibility, the parties often voluntarily enter into a “G-11 waiver” allowing the conciliator to determine whether financial increases would apply in the year in which he/she was appointed, thus waiving this statutory prohibition. Because contracts like the OPBA, which expire other than at year-end, conciliators are prevented from granting retroactive financial increases. Here, the County has routinely refused to agree to G-11 waivers to the detriment of the Union.

The Position of the Employer

The Employer proposes a three-year agreement effective upon signing the Agreement, with the sole exception that wages would be retroactive to March 7, 2017 (reflected in the Article on Wages). It also opposes the inclusion of new language proposed by the Union that would permit an arbitrator-conciliator to order increases in wage rates and other economic items in the fiscal year in which the arbitrator-conciliator is appointed contrary to the provisions of O.R.C. 4117.14(G)(11). It considers this language to be a permissive subject of bargaining and outside the scope of consideration by the Fact-finder.

The Employer does not believe the new agreement can be made effective any sooner than the date it is signed regardless of the effective dates recommended for the wage increases (to which it agrees to make retroactive). To make the entire agreement effective before it is signed could subject the Employer to grievances for violations of new contract provisions that the supervisor was unaware of until after the contract was signed and additional vacation that an employee may have accrued if the agreement had been settled earlier. In order to ensure both

parties are fully aware of any obligations they may have under the new agreement, it should not become effective until it is signed. It does agree to an expiration date of March 7, 2020.

Any procedure sought by a party to a collective bargaining agreement outside of the statutory mandated procedures should be “mutually agreed.” The Union is asking the Fact-finder to impose what otherwise would be a Mutually Agreed Dispute Procedure (MAD) by forcing a retroactivity agreement on the Employer, which is a departure from the statute, and should not be imposed on a party. This is forcing a waiver against one party who does not want to voluntarily give up a permissive right. Not only is this a permissive issue, but none of the other labor agreements have this language. Recommending such here would certainly result in the other units wanting the same language.

Discussion, Findings and Recommendation

The past bargaining history of the parties has been to make the new Collective Bargaining Agreement effective from the date the prior Collective Bargaining Agreement expired. While the Employer argued that making the entire agreement effective before it is signed could subject the Employer to grievances for violations of new contract provisions that the supervisor was unaware of until after the contract was signed and additional vacation that an employee may have accrued if the agreement had been settled earlier, I find this an insufficient justification to change the terms as previously bargained. Additionally, in light of the withdrawal of a number of proposals by the Union, numerous terms of the expired Collective Bargaining Agreement have been carried over to the new agreement and any violations of new contract provisions would be minimal, if existent at all. Further, employees should be entitled to any vacation that has accrued since the expiration of the prior contract.

I would agree with the Employer that the request of the Union for what amounts to a

forced G-11 waiver is a permissive topic of bargaining, and it would be improper for the Fact-finder to impose this provision on the Employer.

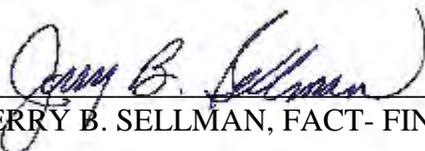
RECOMMENDATION

It is recommended by that Article 32, Section 32.1, provide that this Agreement shall become effective March 8, 2017, and shall remain in full force and effect to and including midnight March 7, 2017. It is not recommended that a new section be added to Article 32 to provide an arbitrator-conciliator with the authority to order increases in wages rates and other economic items in the fiscal year in which the arbitrator-conciliator is appointed contrary to the voluntary waiver provisions contained in O.R.C. 4117.14(G)(11).

CONCLUSION

In conclusion, this Fact-finder hereby submits the above referenced recommendations on the outstanding issues presented to him for his consideration. Further, the Fact-finder incorporates all tentative agreements previously reached by the parties and recommends that they be included in the Parties' Final Agreement.

October 2, 2017



JERRY B. SELLMAN, FACT- FINDER

CERTIFICATE OF SERVICE

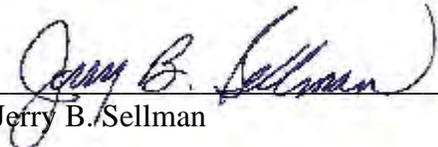
The undersigned certifies that a true copy of the Fact-finder's Report was sent by E-mail on October 2, 2017 to:

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