

**OHIO STATE EMPLOYMENT RELATIONS BOARD
IN THE MATTER OF THE FACT FINDING BETWEEN**

**HAMILTON COUNTY BOARD
OF COMMISSIONERS**

and

**INTERNATIONAL UNION OF
OPERATING ENGINEERS,
LOCAL 20**

**SERB Case No: 2017-MED-06-0778
DATE OF HEARING: January 12, 2018
DATE OF REPORT: February 1, 2018**

Earlene R. Baggett-Hayes, Fact Finder

FACT FINDER'S REPORT AND RECOMMENDATIONS

Appearances:

For Hamilton County Board of Commissioners

**Brett A. Geary
Regional Manager
Clemans, Nelson & Associates, Inc.
420 W. Loveland Avenue, Suite 101
Loveland, OH 45140-2322, 513-256-4155**

Also Present:

David Helm, Assistant Director of Human Resources
Ryan Woodward, Management Consultant

For **International Union of Operating Engineers, Local 20**

**Richard Gerrein
Business Manager/Financial Secretary
IUOE, Local 20
1150 Eighth Street, Suite 205
Cincinnati, OH 45203, 513-751-1671**

Also present:

Jerry Bradley
Randall Wyant
Carl Edwards

INTRODUCTION and BACKGROUND

The undersigned was duly appointed by SERB in a letter dated November 22, 2017, to serve as Fact Finder in the matter of the Hamilton County Board of Commissioners (hereinafter referred to as the “Employer”) and the International Union of Operating Engineers, Local 20 (hereinafter referred to as “Union”) pursuant to Ohio Revised Code Section 4117.14 (C)(3). The parties to this fact-finding have had an ongoing bargaining relationship. The most recent collective bargaining agreement, a three (3) year contract, expired on September 30, 2017.

The parties agreed to extend the date for the Fact Finding hearing until January 12, 2018, and the Fact Finder’s Report until February 1, 2018. The hearing was held at 138 East Court Street, Cincinnati, Ohio 45202. The Union was represented by Richard Gerrein, Business Manager/Financial Secretary, and the Employer was represented by Brett A. Geary, Management Consultant.

The parties engaged primarily in Mediation for the entire session as both the joint and separate meetings reflected progress toward resolution. At the conclusion of Mediation, however, the parties had not reached an agreement. The parties then proceeded to a Fact Finding hearing. During the Fact Finding hearing, both parties were afforded a full and fair opportunity to present arguments and evidence to support their respective positions. The parties relied primarily on their written submissions and encouraged the Fact Finder, based on their belief that the Fact Finder had satisfactorily gained adequate knowledge of the issues and their respective positions, to render recommendations based on information received through their Mediation communications, and the subsequent documents submitted by each side.

Description of the Employer

Hamilton County was established on January 2, 1790, and today has a population of over 800,000. Its county seat is Cincinnati City. Its largest cities range from approximately 300,000 (Cincinnati City) to 15,000 (Symmes Twp). According to census, Hamilton County's population dropped below 800,000 in 1950, and has continued with a steady increase since the year 2000. Out of the approximate 330,000 household incomes, the highest percentages on the wage scale are 11.9% (or 39,400 households) earning between \$100,000 and \$149,000; and 11.8% (or 39,000 households) earning between \$10,000 and \$19,000 per year. Hamilton county commissioners make up the general administrative body for the county government and hold authority for government taxing, budgeting, appropriating and purchasing.

Description of the Bargaining Unit

Local 20 of the International Union of Operating Engineers represents 13 employees in the Facilities Division of Hamilton County Board of Commissioners. The employees' job classifications are: Maintenance Repair Worker I, Maintenance Repair Worker II and Groundskeeper.

Issues

The agreed-upon issues for the Collective Bargaining Agreement as presented are as follows:

Article	3	Dues Deduction
	6	Grievance Procedure
	8	Promotions
	9	Vacancies and Transfers
	12	Union Business
	17	Vacation
	24	Overtime and Hours of Work

39 Duration

The Fact Finder incorporates by reference all non-opened issues, agreements, tentative or otherwise, whether enumerated herein or not, previously entered into between the Parties, and these agreements should be appropriately included in the Collective Bargaining Agreement.

The unresolved issue is as follows:

Article 14 Wages

Employer's Proposal

The Employer's offer reflected wage increases of 2% in the first year, and increases equal to those of non-bargaining unit employees ("me too" language) for years two and three of the contract. The Employer also proposed a wage adjustment within the current pay grade that amounted to fixed wage increases of \$1.24 for all bargaining unit members retroactive to October 1, 2017, through September 30, 2018. The Employer also proposed a 1.5% wage increase in October of 2018, and a re-opener for 2019-2020. According to the Employer, the 1.5% matches what non-bargaining unit members have currently secured for 2018.

According to the Employer, one of the Union's proposals included over 40% in increases for the employees, while another exceeded 20%.

The Employer cited rising expenditures and decline in sales tax revenues as factors to be considered in its proposal. The Employer provided support for its proposal with examples such as overcrowding in the jail and stadium deals, deteriorating buildings, drug crises and rising healthcare costs. The Employer also indicated that the scheduled 1.5% wage increase, due to non-bargaining unit employees in 2018, although it falls below the recommended budget proposed, is also a result of the County experiencing several large expenditures. According to the Employer, the "me-too" clause will place bargaining unit increases and non-bargaining unit increases on the

same plane and will support fiscal integrity and wage consistency into the 2019 and 2010 contract years.

Union's Proposal

The Union's most recent proposal included the following changes under Sections 14.1 and 14.2:

- a. Eliminate minimum and maximum hourly rates, and average the two to establish a single wage rate for each job classification;
- b. Implement an initial wage increase of 2% effective on the pay period which includes October 1, 2017, and
- c. Retain the existing language of Section 14.2 except for correction of the applicable contract years.

Based on the Union's proposal, the Maintenance Repair Worker I wage rate would be reflected at \$18.33 per hour; the Maintenance Repair Worker II wage rate would be reflected at \$19.14 per hour; and the Groundskeeper wage rate would be reflected at \$19.14 per hour.

Also based on the Union's proposal, Section 14.2 would read: For the contract years 2018 and 2019, bargaining unit employees shall receive the same increase approved by Hamilton County Board of County commissioners (HCBCC) for non-bargaining unit employees of the Hamilton County Board of County Commissioners (except those employees with individual employment contracts). Such increases shall be effective on the same date as for non-bargaining employees of HCBCC.

To support its position, the Union averred that no employees in the bargaining unit had moved upward in rate toward the maximum hourly rate since the bargaining unit's certification in

2008; nor had any new hires been able to move upward from the minimum hourly rate, regardless of their experience. The Union propounded that it would be more palatable to take the average of the minimum and maximum rate and to apply it as the new hourly rate, which would be subject to wage increases pursuant to the contract and/or other increases consistent with Section 14.2.

CRITERIA FOR THE FACT FINDER

The Fact Finder has considered the factors enumerated in the Ohio Revised Code Section 4117.14 (G) (7) (a-f) as required by the Ohio Revised Code Section 4117.14 (C) (4) (e) and Ohio Administrative Code 4117-9-05 (K), which set forth the criteria the Fact Finder is to consider in making recommendations. They read as follows:

1. Past collectively bargained agreements.
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 employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standards of service.
4. The lawful authority of the employer.
5. Any stipulation of the parties.
6. Any 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 the public service or private employment.

Discussion

It is clear that economic viability is the goal of all parties in this matter. There exists both the Employer's need to reflect financial stability and the Union's plight to maintain membership security and job stability. The Employer presented evidence confirming that the federal government has required that the State of Ohio discontinue application of the sales tax to Medicaid

Managed Care organizations. It is expected that this will negatively impact finances of the Employer. Likewise, during the year of 2017, the Employer experienced the slowest growth in sales tax since revenues declined in 2009. Additionally, the Employer's 2018 Recommended General Fund Budget presents a General Fund Expenses and Revenues graph which reflects expenses and revenues between the years 2010 and 2022. The drawing reflects an appreciable increase in the gap between revenue and expenses, particularly from 2017-2022. In 2018, the difference is approximately \$20M, and in 2022, it is projected to be approximately \$35M, with expenses exceeding revenues in both cases. In reference to Human Capital Investments, the Employer acknowledges that Hamilton County is paying below the market for many positions, and in an attempt to "begin" (emphasis added) to address this issue, the recommended budget includes an adjustment to increase all employees to a minimum of \$15 per hour, and a salary adjustment of 2% for all employees to be distributed by departments. Also of note is the fact that the general fund anticipated a \$29.2 million fund reserve at the end of 2017 which amounted to 12.7% reserve on ongoing expenses. This amount fell short of the Commission's goal of a 15% reserve.

A review of the State Employment Relations Board Annual Wage Settlement

Report reveals that wage settlements between 2007 and 2016 reflect an average increase of 2% as reflected in negotiated Collective Bargaining Agreements. While the Fact Finder notes that this 2% trend is significantly lower than higher percentage that is offered by the Employer in the present case, the Fact Finder is also curious to know what the trend is beyond the year 2016. The Fact Finder acknowledges that the 2% average does cross multiple geographical areas, as well as city, county, school districts and townships. Various disciplines, ie., police, fire, teacher, etc., also reflect an average wage increase of generally 2%. Likewise, the CBA between Hamilton

County and IUOE (Operating Engineers), Local #20, effective through April 30, 2020, reflects a 2% wage increase for Facilities Maintenance Worker 1, Facilities Maintenance Worker 2, HVAC Technician and HVAC Lead Technician. The Fact Finder does note, however, that hourly wage rates are significantly higher for those workers than they are for the subject bargaining unit.

The Union proclaimed that the employees should be placed in the middle of the pay scale. In the Union' view the pay scale is illusory, particularly because employees are stuck at the bottom and rarely move to the top. This Fact Finder might have been more convinced had comparables been presented to demonstrate how and why the approach suggested by the Union has been handled in other venues. The apparent isolated example presented by the Union was not compelling. Additionally, while the Union casually referenced the possibility of a merit system, it is not in the Fact Finder's purview to rule on this recommendation based on information presented.

The comparables presented by the Employer were otherwise uncontroverted; therefore, the Fact Finder is not inclined to dismiss them. Rather, they are instructive and bode in favor of the Employer providing a reasonable wage increase to the Union, considering all circumstances.

Recommendation

With full consideration to the City's current financial position and all relevant comparables presented by the parties, the Fact Finder concludes that the Employer has the ability to provide a wage increase commensurate with the following guidelines:

That employees receive the \$1.24 wage increase effective October 1, 2017.

That the 1.5% wage increase become effective on January 1, 2018.

That for year 2 (2018-19), the "me-too" provision shall apply.

That for year 3 (2019-20), the "me-too" provision shall apply.

The Fact Finder proposes the following contract language for Article 14 - WAGES:

Section 14.1. Upon ratification and retroactive to October 1, 2017, the Wage scale shall be as follows, which shall be in effect until September 30, 2018.

<u>Classification</u>	<u>Min. Hourly</u>	<u>Max. Hourly</u>
Maintenance Repair Worker 1	\$14.97	20.96
Maintenance Repair Worker 2	\$15.66	21.86
Groundskeeper	\$15.66	21.86

Retroactive to October 1, 2017, and for the October 1, 2017 –September 30, 2018, contract year, employees at the minimum rate per their pay grades shall be adjusted to match the 20th percentile of the current wage scales That same monetary increase shall be applied to all positions equally, so that each employee maintains his or her relative position compared to other current bargaining unit members.

Effective upon execution of the agreement through September 30, 2018, no newly hired MRW 1 shall be hired in at a rate of less than \$15.25/hr. Effective upon the execution of the agreement through September 30, 2018, no newly hired MRW2 or Groundskeeper will be hired in at a rate of less than \$15.85/hr.

Effective on the pay period which includes January 1, 2018, the hourly pay for all bargaining unit employees shall increase by one and one-half percent 1.5%. The pay range of all bargaining unit employees shall be as follows:

<u>Classification</u>	<u>Min. Hourly</u>	<u>Max. Hourly</u>
Maintenance Repair Worker 1	\$15.25	21.09
Maintenance Repair Worker 2	\$15.85	22.02
Groundskeeper	\$15.85	22.02

14.2. Wages for contract years October 1, 2018 through September 30, 2019, and October 1, 2019 through September 30, 2020: bargaining unit employees shall receive the same general increase in 2019 and 2020 as approved by the Hamilton County Board of County Commissioners (HCBCC) for non-bargaining unit employees of the Hamilton County Board of County Commissioners (except those employees with individual employment contracts). Such increase shall be effective on the same date as for non-bargaining unit employees of the HCBCC.

Effective Date: October, 2017

In the Fact Finder's view this represents a significant increase and improvement for the employees and is consistent with the goals of both sides.

Conclusion.

In this report, the Fact Finder has attempted to provide reasonable recommendations that are acceptable to both parties. The Fact Finder encourages the Parties to review the information and make any necessary changes that are mutually-agreed upon. Should the Parties discover errors, or find that this information promotes additional discussion toward a more acceptable resolution, the Parties are encouraged to adopt alternative language.

/s/ Earlene R. Baggett-Hayes
Earlene R. Baggett-Hayes

February 1, 2018

CERTIFICATE OF SERVICE

I hereby certify that on February 1, 2018, a true and accurate copy of this Fact Finder Report and Recommendation was sent via e-mail to the following:

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/s/ Earlene R. Baggett-Hayes
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