

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

JUN 1 10 15 AM '98

IN THE MATTER OF FACT FINDING)

between)

FRATERNAL ORDER OF POLICE,)
CAPTAIN JOHN C. POST, LODGE NO. 44)

Employee Organization)

and)

THE CITY OF DAYTON, OHIO)

Public Employer)

SERB

Case Nos. 98-MED-03-0249

and 98-MED-03-0250

FACT FINDING REPORT

Mitchell B. Goldberg,
Appointed Fact-Finder

I. INTRODUCTION

The undersigned, Mitchell B. Goldberg, was appointed as the Fact-Finder for the subject cases pursuant to the regulations of the Ohio State Employment Relations Board on April 17, 1998. Hearings were conducted on May 13 and May 14, 1998 in Dayton, Ohio. Thereafter, the parties agreed that the Fact-Finder's report was to be issued on May 29, 1998.

Each of the parties had numerous representatives and witnesses at the hearings. The principal representatives for the F.O.P. were Sorrell Logothetis, Esq. and Susan D. Jansen, Esq. The principal representatives for the Board were John C. Lombard, Esq. and Mr. Thomas A. Payne.

Prior to the hearings, each of the parties submitted pre-hearing statements pursuant to Section 4117-9-05 of the rules of SERB. A general description of the function of the Employer and a general description of the employees in the Bargaining Units were provided. The parties engaged in negotiation sessions for three days in March and for seven days in April.

The Fact-Finding hearings were combined for two separate Bargaining Units, one unit consisting of all police officers below the rank of Sergeant and a separate Bargaining Unit consisting of supervisors defined as all sworn police officers in the classified service above the rank of police officer. The supervisor's unit includes the ranks of Sergeant and Lieutenant. The police officers unit consists of approximately 380 police officers and the supervisors unit consists of approximately 100 supervisors. The parties engaged in joint, multi-unit negotiations leading to the combined Fact-Finding hearing. The City has recognized the F.O.P. as the Bargaining Agent for the police officers since 1964 and as the Bargaining Agent for the supervisors since 1986.

The undersigned Fact-Finder inquired of the parties whether they were interested in participating in any mediation of the issues which remained in dispute. Both parties declined the

invitation to mediate any of the remaining issues in dispute.

The following Fact-Finding report takes the following criteria into consideration:

(1) Past collectively bargained agreements between the parties; (2) comparison of 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, 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; (4) the lawful authority of the public employer; (5) any stipulations of the parties; and, (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 the public service or in private employment.

II. UNRESOLVED ISSUES

The remaining body of this report will deal with all of the unresolved issues presented to the Fact-Finder by each of the parties. The primary issues in which the parties are at impasse are the economic issues which concern wages and benefits. The parties have been unable to bridge the gap between their respective positions because of their differing opinions as to the ability of the City to finance and administer wage increases, and the ability of the City to maintain the current level of benefits which exist in the current Collective Bargaining Agreement which is about to expire. The City believes that its current economic position, at a time when the general economy is prospering, is mediocre at best, and that the economic condition relative to the City of Dayton will continue to decline to the point where expenses will substantially exceed revenues. Income taxes are the primary source of revenues for the City. The income tax stream, however, is erratic and the City projects a

consistent decline in the collection of income taxes due to a number of economic factors which will be discussed *infra*. Because the City must operate on a balanced budget, declining revenues require the cutting of expenses. Personnel costs, including those represented by the Collective Bargaining Agreements at issue, are the dominant variable expense items in the budget. The City's economic proposals, therefore, are premised upon a minimal wage increase combined with a proposal that the Bargaining Unit members begin to pay a portion of their medical insurance premiums and the total cost of their dental insurance premiums; the combined effect of which is to absorb a reduction in compensation from that which presently exists.

The F.O.P., on the other hand, believes that the economic condition of the City government is not nearly as bleak as that portrayed by the City in these negotiations. It believes that the City has sufficient economic resources to fund wage increases consistent with those received in the past agreements while, at the same time, fully fund 100% of the medical and dental insurance premiums. The differing views of the parties with respect to the economics of the situation and the priority of spending within the existing City budget has led to the large gap between the respective economic proposals of the parties. It is this fundamental difference of opinion that prevented the parties from engaging in meaningful collective bargaining even over issues that are indirectly concerned with economics or which involve language issues unrelated to economics. The parties, as a result, remain very far apart on the outstanding issues. The following Fact-Finding Report is an attempt by this Fact-Finder to deal with the City's concern of future economic uncertainties and the F.O.P. concern that its members be fairly compensated compared with other safety forces providing similar work in similar geographic communities.

Issue No. 1 - Article 2, Lodge Recognition, Section 1, Bargaining Rights, (Supervisors Contract)

The F.O.P. proposes to add the rank of Major to the Bargaining Unit. The F.O.P. believes that adding the five Majors to the supervisors bargaining unit will provide additional promotional opportunities for Lieutenants. Presently, Majors are appointed positions and not subject to civil service testing. If Majors are added to the unit, Lieutenants will gain opportunities to promote into the Major position based upon competitive civil service testing and selection. Major positions have been filled through appointments from ranks lower than the Lieutenant rank by the appointing authority. The F.O.P. does not believe that such appointments are fair or equitable.

The City believes that this subject is not a bargainable issue. The appropriate Bargaining Unit in the final analysis must be decided by SERB pursuant to Section 4117.06 of the Ohio Revised Code. Moreover, the City believes that there is a substantial diversity problem within the staffing of the Bargaining Unit. Minorities and women are not adequately represented. Accordingly, the City is able to address the disparity in the composition of the work force by making affirmative action promotions to the positions of Major. Including Majors within the Supervisors Bargaining Unit would effectively foreclose the City from making affirmative action appointments because Majors would be promoted from the ranks of Lieutenants who are predominately caucasian males.

This Fact-Finder is not in a position to recommend that the F.O.P.'s proposal be accepted for a number of reasons. SERB is the appropriate agency to decide the appropriateness of each Bargaining Unit in any particular case. Section 4117.06 of the Ohio Revised Code requires SERB to consider various relevant factors including the desires of the employees, the community of interest, wages, hours, and other working conditions, the effect of over-fragmentation, the efficiency of

operations of the public employer, the administrative structure of the public employer, and the history of collective bargaining. Of particular concern to this Fact-Finder is the possibility that the addition of Majors to the Supervisors Unit would isolate top management to the point where the efficiency of operations might be adversely affected. These types of concern are better addressed by SERB than by these Fact-Finding proceedings.

Recommendation - No change.

Issue No. 2 - Article 6, Wages (Supervisors and Officers)

The F.O.P. proposes a 5.5% across the board pay increase for each year of a three-year contract for both bargaining units. The history of negotiations dating back to 1985 reveals that the F.O.P. members have received consistent pay increases regardless of the City's claims that it was in dire financial straights. The most important consideration is to compare the compensation of Dayton police officers with other similar urban municipalities throughout the state of Ohio. Considering the compensation factors including fringe benefits among eight cities, including Akron, Canton, Cleveland, Cincinnati, Columbus, Toledo and Youngstown, Dayton ranks fifth out of eight in terms of total compensation. For the year 1999, Akron will receive a 3.5% increase; Toledo will receive a 3% increase; and, Youngstown will receive a 5% increase. Canton and Columbus each received 4% increases for 1998. There are similar statistics comparing the compensation of Sergeants and Lieutenants among these various municipalities. Dayton ranks fifth in terms of total compensation in each case. When considering municipal expenditures for police, fire and protective inspection and correction, Dayton ranks seventh in terms of the percent of its total expenditures devoted to these security areas.

Moreover, the work performed by bargaining unit members is extremely difficult and stressful.

Notwithstanding that the members deal with a large urban population which has a high poverty rate and high unemployment, the crime per capita in the period of time from 1990 through 1996 has declined by 12.4% which ranks favorably among the eight urban areas mentioned above. During the same period of time the calls for police service has increased by 8.2%. In summary, the citizens of Dayton have continued to receive productive services from its police force, which services must be fairly compensated compared to other similar urban areas.

The City for reasons discussed below, is offering a 1% increase at the maximum pay step ranges for a one-year contract. Those officers who are not at the maximum pay range will continue to receive annual step increases which approximate 3.5% within each pay range. For the last thirteen years, the F.O.P. has received average annual wage increases of 4.03% when the average CPI has been only 3.46% over the same period. Even if the City were able to afford pay increases, past history suggests that only 2% increase would be appropriate.

The City, however, argues that its present economic circumstances and the future predicted trend which projects declining revenues and increased expenses will rapidly diminish the existing reserves to the point where the City will be placed in a deficit situation. The City presented voluminous evidence showing that the Dayton economy is in a steady state of decline even as the national economy seems to be prospering. The city population has substantially declined; thousands of highly paid manufacturing jobs have been lost; many businesses have closed; and, the City's unemployment rate is nearly twice that of the County's. Dayton's once prosperous financial community consisting of several local banks have been merged into regional banks which resulted in the down sizing of many white collar jobs, middle management jobs and executive positions. General Motors, the largest employer in the area with two plants is considering closing the Delphi Parts

Division.

The City has submitted several expert studies and reports which identify these economic problems with proposed solutions over the long run. The present circumstances, however, continue to portray a declining urban community with a very high poverty rate and declining household income.

Since the 1980's the City has been forced to reduce its expenses and capital investments. Nevertheless, 70% of the budget represents personnel costs and employees have continued to receive pay increases over the years. The City believes that now is the time to seriously address its rising personnel cost in order to balance the budget because little change can be made on the revenue side of the equation. Tax increases are out of the question; the city income tax is already among the highest of Ohio large cities. The City must depend primarily on income tax revenues to operate its services.

The City presently has a \$23,000,000.00 reserve fund but, contrary to the Union's contention, these reserve funds should not be used to fund pay increases for the F.O.P. Doctor Richard Stock performed an economic analysis to determine the optimal reserve fund which should be maintained by the City under the Collective Bargaining Agreement. He concluded that in these favorable economic times the reserves should optimally be in the \$25,000,000.00 to \$32,000,000.00 range. The present fund of \$23,000,000.00 is acceptable. Therefore, a depletion of the reserve fund of the amount necessary to pay the F.O.P.'s proposed wage increases would be very imprudent on the part of the City. The existing reserve fund represents only eight weeks of city expenses with the present budget of \$167,000,000.00. The existing reserve fund also is necessary to maintain the City's favorable bond rating. Moreover, the existing reserve fund, as a percentage of budget is well below

that of other cities in the country. The City believes that now is the time to seriously address the escalating increases in the personnel cost and the F.O.P. should accept the City's proposal which begins to bring these costs into line.

The F.O.P. does not accept the City's economic analysis for a number of reasons. This same economic bad news has been presented to the F.O.P. in previous contract negotiations; nevertheless, the City has continued to pay wage increases over the cost of living in all of its Collective Bargaining Agreements including the firefighters and the workers represented by AFSCME. The most critical action on the part of the City which adversely affects the City's credibility in terms of contract negotiations, in the eyes of the F.O.P., is the payment of substantial increases to management, directors and officials within the city government in January 1998. These wage increases averaged a 4.64% increase for managers within the city government and an average increase of 4.7% for managers within the police department. The same economic circumstances which exists today must have existed in January with the full knowledge of the City. The City could have begun its wage depression policy by starting with management, but it chose not to do so.

There is further mistrust on the part of the F.O.P. with city economic projections based upon what has transpired over the years of Collective Bargaining. The City is continuously projected lower revenues, higher expenses and inadequate reserves when the actual figures have produced contrary results. Likewise, the City's present economic analysis and projections are suspect. The F.O.P. believes, based upon past history, that the City's projection of a \$9,000,000.00 deficit in 1999, \$11,000,000.00 in 2000, \$12,500,000.00 in 2001, \$12,500,000.00 in 2002 and \$11,000,000.00 in 2003 are deficiencies which will never come about. The actual tax revenues will be more than those estimated by the City, and the City will periodically turn up one time revenue sources as in past

occasions in order to balance the budget.

The existing \$23,000,000.00 reserve fund is substantial compared with other cities in Ohio, many of which have much larger budgets than Dayton. The percentage of the budget in Dayton used to pay debt service is the lowest of all of the other cities in Ohio. Dayton's municipal bond rating continues to be A2 which is favorable. The City could raise revenues by increasing its income from licenses, permits, fines and forfeitures. It is among the lowest of these collections within comparable Ohio cities. In summary, the F.O.P. believes that the City, for purposes of negotiations, is loading up on the negative news and ignoring any positive developments which have occurred over the years to improve the City's financial circumstances.

Recommendation -

The Collective Bargaining relationship between the parties is obviously at a very unsatisfactory level. The parties cannot even agree upon which budget figures to use for reporting purposes. The F.O.P. relies upon published CAFR reports which the city furnishes to the state. The City argues that these reports are misleading due to accounting methods for recording revenues and expenses. It appears to this Fact-Finder that improvement in the relationship will not come about until the F.O.P. observes actual budget cuts being made, including cuts in personnel costs among the other sectors of the staff and work force. Once the City demonstrates to the F.O.P. that reductions in personnel costs are inevitable, its credibility should be restored in negotiations with the F.O.P. and the F.O.P. will undoubtedly cooperate for the good of the City and the community. It is therefore recommended that a three-year contract be put in place with a reopener in the third year only on the issues of wages and medical/dental insurance premiums. In this two-year period, the City should begin to build back its bargaining relationship with the F.O.P. by establishing that its projections are

accurate and by reducing costs throughout other areas of its budget including personnel costs. In the meantime, for each of the two contract years the City should pay across the board increases of 3% for each bargaining unit in order to maintain the comparable wages between the Dayton police and the wages of police in other cities such as Toledo and Akron, each of which are receiving respectively 3% and 3.5% increases for 1999. This recommended increase should cost the City approximately \$900,000 in each of the two years. Even with level revenues or slightly decreased revenues over this period, the increases should be able to be afforded with a minimal impact upon the existing reserves.

Issue No. 3 - Duration of the Contract.

The City is proposing a one-year contract and the F.O.P. is proposing a three-year contract. In accordance with the above discussion of wages, it is recommended that the parties execute a three-year agreement with a reopener in year three for wages and medical/dental insurance premiums.

Issue No. 4 - City Proposal - Diversity

The City proposes contract language in which the F.O.P. would agree to promote the concept of work force diversity. This language would be added to the non-discrimination language already contained in the Collective Bargaining Agreement. A report from Coleman and Associates addresses the issue of diversity and there is a Charter Review Committee which is considering changing the existing promotional structure within civil service in order to enhance the diversity within the work force and to make it more comparable with the existing population in the City of Dayton.

The F.O.P. does not believe this type of policy language should be included in the Collective Bargaining Agreement. While the goal of diversity is acceptable to the F.O.P. in principal there are many issues with respect to promotions under the guise of diversity that presents considerable legal problems. The state of the law is unsettled with respect to affirmative action plans, quotas and job

preferences. The F.O.P. has cooperated with respect to the recruitment of minorities, but it is against actions which adversely affect seniority provisions which have been negotiated, and the opportunity for its members to obtain promotions based upon merit and qualifications.

Recommendation- The existing language within the Collective Bargaining Agreement relative to non-discrimination is sufficient. Since the concept of diversity means different things to different people in terms of promotional opportunities, it is not recommended that any additional language be included at this time. No change.

Issue No. 5 - City Proposal - Court Time (Supervisors and Officers)

The City proposes to decrease the court appearance compensation from a minimum of seven hours pay to a minimum of five hours pay. This is an area in which the City believes it could save considerable money since the cost was almost \$1,000,000.00 last year. The reduction of two hours compensation could save the City approximately \$285,000.

The F.O.P. believes that it obtained this payment based upon a Fact-Finding report which found that the compensation was deserved because of the many times in which officers were being called for court appearances on their scheduled days off. The payment was supposed to act as a disincentive to calling officers for court on their days off. Efforts to coordinate with the court system in order to attempt to schedule officers for court during their work hours has proved unsuccessful.

Recommendation -

It is recommended that the City continue to attempt to reduce the cost in this area by working with the courts to obtain more efficient scheduling. Until this is accomplished, there is no compelling reason to reduce the compensation of police officers. No change.

Issue No. 6 - F.O.P. - Assignment of Field Training (Officers)

The F.O.P. wants to increase the compensation for field training officers from 3% to 7% over the officer's base pay. Supervisors receive an increase of 7% over their base pay for similar duties. The FTOs take on considerable additional responsibilities for which they do not receive adequate compensation. The assignments are forced upon the officers instead of being voluntary, which was the original intention for such assignments.

The City opposes any increase in cost in this area. The additional payment was included in the last contract negotiations and there is no reason to provide additional increases.

This is an area in which actual collective bargaining should take place. The F.O.P. should be willing to address other issues proposed by the City in order to obtain more benefits in this area.

Recommendation - No change.

Issue No. 7 - City Issues - Overtime Pay (Supervisors and Officers)

The City proposes to reduce overtime compensation presently paid to bargaining unit members. It proposes to limit overtime payments to FSLA statutory overtime, which is pay for work in excess of 160 hours in a 28 day work period. This would save the City approximately \$600,000 per year.

The F.O.P. obviously feels the overtime compensation is justified and deserved and it does not want to absorb a compensation decrease in this area.

Recommendation - The City's position is not accepted; however, it is recommended that the existing overtime language contained in Article 7 be modified to provide for overtime compensation for the change in work schedules which have been agreed upon between the parties. The employees who work four ten hour shifts should be paid at the rate of one and one-half times the regular rate

of pay for hours worked over ten in any shift.

Issue No. 8 - F.O.P. - Compensatory Time (Supervisors and Officers)

The F.O.P. proposes to increase the maximum amount of compensatory time a member can accumulate from 136 hours to 200 hours. The City uses compensatory time instead of paying overtime. Dayton ranks sixth among the other Ohio cities in terms of the amount of compensatory time provided.

The City opposes any additional costs in this area. This would drive up other costs by requiring the City to pay for additional overtime when compensatory time is taken later.

Recommendation - The status quo should remain at present for the reasons set forth under the wages discussion above. No change.

Issue No. 9 - F.O.P. - Sick Leave Conversion (Supervisors and Officers)

The F.O.P. proposes to change the sick leave conversion ratio from two to one to one to one after the maximum number of sick days are accumulated. In addition, the F.O.P. proposes to reduce the maximum level from 140 days to 125 days.

The City opposes this increase because it would cost approximately \$240,000.

Recommendation - No change based upon the economic discussion above.

The F.O.P. further proposes that members with accumulated sick leave days during the last three years of their employment be permitted to elect to convert the sick leave days to vacation or personal allowance credits at the ratio of 2.25 to one. The F.O.P. argues that the City would actually save money under this proposal because the City would pay for the conversion over a longer period of time.

The City believes that F.O.P. proposal would create short term savings but the proposal

would involve long term costs and would cause the pension contributions to be increased for the City. The F.O.P. argues that there would be little impact upon the City's contribution for pensions. The City has not devoted enough time to study this proposal and the parties have not spent enough time bargaining over it. The parties should continue to discuss the economic impact upon the City; but, for now, it is recommended that F.O.P.'s proposal not be adopted.

Recommendation - No change.

Issue No. 10 - F.O.P. - Residency (Supervisors and Officers)

The F.O.P. proposes that language be added to the Agreement which would state that the City recommends a charter amendment to the existing residency rule so that members may reside in Montgomery County or contiguous counties.

The City believes that this is a non-bargainable issue because it involves a charter amendment. Also, the City is still in favor of the existing residency requirements.

Recommendation - It is recommended that this proposal not be accepted for reasons similar to the denial of the City's request for diversity language to be included in the Agreement.

Issue No. 11 - City Proposal Longevity (Supervisors and Officers)

The City, as a cost saving measure, proposes to change the longevity pay schedule from percentage increases to flat dollar amounts. Because of the existing automatic percentage increases in the Agreement, the City believes that it does not receive any credit for providing pay increases when the parties bargain. The flat rates proposed are less than the existing percentages.

The F.O.P. argues that the percentage increases were added to the contract in the 1992 negotiations and any take back would be unjustified.

Recommendation - The status quo should remain in order to provide comparable

compensation with that of other cities as set forth in the wages discussion above. No change.

Issue No. 12 - City Proposal - Drug Testing (Supervisors and Officers)

A dispute arose between the parties with respect to the interpretation of the language under the drug and alcohol policy. There was a disagreement as to whether or not the policy includes a testing provision for new hires. The City believes that such a provision is illegal but an arbitrator ruled that the policy did include testing of new hires. The City has appealed the arbitrator's decision in the Common Pleas Court and is requesting that the arbitrator's award be vacated. That matter is still pending before the Court. Furthermore, the City believes that pre-employment criteria is only a permissive subject of bargaining and that once the present contract expires, the City is not required to continue to bargain over this subject.

Recommendation - The City's proposal is not accepted because other forums will ultimately decide these issues. The court will determine whether or not the arbitrator's award will be vacated and the issue of whether or not the City is required to bargain over the issue should ultimately be decided in a SERB proceeding.

Issue No. 13 - F.O.P. - Suspensions (Supervisors and Officers)

The F.O.P. proposes to change the language in Article 8, Section 8 which permits an employee to be conditionally suspended without pay as a result of an indictment or a criminal charge. The F.O.P. wants to restrict the conditional suspension to circumstances in which an employee is charged with and/or indicted for a felony. The F.O.P. contends that as a matter of past practice, until recently, officers who were charged with misdemeanors were not suspended without pay. Instead, they were placed on restrictive duty assignments. If a Chief continues to suspend without pay for less serious offenses, the officers will be unfairly penalized because they will lose pay before the issue is

resolved. They should not suffer any adverse consequences if they are ultimately acquitted.

The City prefers to leave the language as is because even some misdemeanors are very serious when the charges are applied to police officers. The F.O.P. is really complaining about a single incident which recently took place in which a white male officer engaged in an argument and altercation with a teenage African-American female who was working in a fast food restaurant. The argument was over the amount of change due to the police officer who had purchased some food. When the altercation escalated the officer attempted to subdue the employee with pepper spray and he ultimately handcuffed her. This incident was the subject of much publicity and there was public criticism about the officer's alleged unreasonable use of force. The Chief decided to suspend the officer without pay even though the charge filed against him was a misdemeanor assault. The Chief wants to retain his discretion to issue suspensions without pay in circumstances of this type.

It does not seem that this long standing language in the contract has been the subject of abuse by the Chief or police management over the years. The employee who is suspended will ultimately recover full compensation and back pay if he or she is acquitted through the established grievance procedure. The parties should continue to discuss refinements to this language but there is no present compelling reason to amend the provision.

Recommendation - No change.

Issue No. 14 - F.O.P. and City Proposals to Amend Language Relative to the use of Polygraphs.

The F.O.P. proposes to strike the present language which requires an officer to submit to a polygraph examination if a complainant signs an affidavit and agrees to take a polygraph test. Further, when there is no complainant, management may request an employee to take a polygraph

test when there is cause to believe an employee has committed a criminal violation. The F.O.P. proposes that polygraphs be eliminated except at the request of the employee and the polygraph be used only as an investigative tool.

The City believes that the present language is unclear as to the circumstances in which the Chief may require a polygraph when the investigation is not the subject of a complaint. The City proposes language which permits the unrestricted use of the polygraph by the Chief.

The F.O.P. believes that the City has ignored past practice by alleging that the Chief is the complaining witness in cases where there is no complainant. The Chief should not be considered the complainant under the present language in order to unilaterally have polygraph tests administered at the Chief's discretion. The City believes that the determination as to whether or not the Chief can be the complainant should be arbitrated and not decided by this Fact-Finding proceeding.

There appears to be many issues related to the continued use of polygraph tests. The law in this area continues to change and the Chief wants to continue to use polygraph tests as an internal investigative tool. This is one of the issues in which the parties have not, to the satisfaction of this Fact-Finder, engaged in substantial negotiations relative to their respective interests. The parties should continue to negotiate in order to determine if language can be agreed to which would serve each of their respective interests.

Recommendation - No change.

Issue No. 15 - F.O.P. - Uniform Allowance

The F.O.P. proposes to replace the current contract language which provides for a clothing allowance. A quarter master system is proposed with a \$200.00 annual allowance for maintenance. Plain clothes employees would be paid \$540.00 per year as an allowance. The F.O.P. believes that

the quarter master system would save the City approximately \$330,000.00 over a three-year contract. The start-up costs could be paid with RICO funds.

The City believes that the start-up cost would be excessive and would override any monies it would save throughout the course of the contract. The City also believes that there are hidden costs involved.

This is another issue in which the parties have not engaged in meaningful discussions. It appears that other police departments have established quarter master systems with some degree of success at a cost savings to the department. The F.O.P.'s proposal has features which appeared to have economic advantages for the City. The City should counter the proposal by altering the features somewhat in order to arrive at a system which benefits both parties. The parties are much more knowledgeable than this Fact-Finder about the particulars of the system and the benefits which could come about.

Recommendation - No change.

Issue No. 16 - F.O.P. - Promotion

The F.O.P. wants to insert some changes in the promotional procedures which were first placed in the Collective Bargaining Agreement in 1992. The F.O.P. wants to have the same number of testing components for officers and the supervisors. Other issues include providing a 10% set aside for education in seniority and providing for a score of 65 for the multiple choice portion of the test. The F.O.P. believes that there is too much weight given to writing skills. The F.O.P. wants to include the "in-basket" method of prioritizing tasks in the Supervisors Agreement. The assessment section should compose 30%. The second portion of the requested changes includes a better balance between educational points and experience and the language should be more particular in defining

college credit.

The F.O.P. embarked upon the procedure which has been agreed to by the City in the past. The F.O.P. meets with Sandra Huggins, The Chief Examiner of the Civil Service Board, and once Ms. Huggins and the F.O.P. resolve the changes, the City will agree. The procedure was followed in these negotiations but the City has not agreed to the changes which were agreed upon by Ms. Huggins.

The City takes the position that it has accepted changes agreed upon by Ms. Huggins but that it has always reserved the right to disagree with the F.O.P. and Ms. Huggins. In this case, the City has objections to the changes requested by the F.O.P. Because of the diversity concerns and for other reasons, the City places less emphasis on experience and it wants to place more emphasis upon education. The City is not comfortable with the weight given to written examinations. It chooses to rely more upon assessment centers. Also, the City believes that the F.O.P. proposal does not entirely reflect the judgment and agreements made by Ms. Huggins. In summary, the City would like to leave the language as it presently exists.

There is apparently a lack of communication between the City, Ms. Huggins and the F.O.P. particularly with changes that are recommended by Ms. Huggins. The parties need to negotiate further on this issue.

Recommendation - No change.

Issue No. 17 - City Issue - Health Insurance

The City proposes that the F.O.P. members pay 15% of the medical insurance premiums and 100% of the dental insurance premiums. The City further proposes to drop Cigna/Health Source and add drug formularies to the Anthem and United Health Care Plans. The City believes that it is time,

based upon the economic considerations mentioned above, for the F.O.P. to contribute toward the high medical and dental insurance costs. Many public employees are sharing these costs including employees in Cincinnati, Columbus, Cleveland, the State of Ohio, Montgomery County and the Dayton Public Schools. In terms of dollars spent on health care, Dayton ranks third in the State. The total cost for health insurance in the budget is \$12,000,000.00 . Changes proposed by the City would save close to \$700,000. If employees were required to assume the cost of the dental plan it would be another savings of \$259,000.

The F.O.P. has resisted having its members contribute toward health insurance premiums, although the City has been attempting to obtain concessions in this area for many years. Fact-Finders have recommended that the City absorb the full cost of premiums because the F.O.P. has cooperated with the City in attempts to reduce health insurance premiums. The City's costs are among the lowest in the State. This is because the F.O.P. has agreed to increase co-payments and it has cooperated with the City in the choice of carriers. Moreover, the City, for reasons of its own, decided to extend the benefit of fully paid premiums to the fire fighters, the ASFCME workers and the management employees. The City in the past negotiated caps upon the maximum amounts which would be paid for premiums by the City. The insurance costs, however, through cooperative efforts between the F.O.P. and the City have come in well below the caps so that the caps are no longer an important bargaining item.

The F.O.P. was able to negotiate for a fully paid dental plan by increasing the years between pay steps in the contract. Now, the City wants to have F.O.P. members pay for their dental insurance after receiving the economic benefits of the F.O.P.'s concession relative to step increases.

This Fact-Finder has recommended a status quo with respect to the payment of medical

insurance premiums and dental insurance premiums. There will be a reopener in the third year of the recommended contract, at which time the issue of whether F.O.P. members should contribute toward the premium will be re-examined in light of the City's economic circumstances. By that time, the parties hopefully will reach a consensus on the correct revenue and expense figures put forth by the City. Also, the City may by that time have obtained certain concessions from the other unions with respect to contributions toward medical insurance premiums. It very well may be that the City's economic circumstances will require concessions from personnel in the area of wages and insurance benefits; but, if that is required, the City should be able to present the F.O.P. with evidence that other employees have agreed to address the problem and that the F.O.P. is not being asked to unfairly assume the burden vis-a-vis other employees. Until that time, the status quo should remain.

The parties should continue to discuss the use of drug formularies. The F.O.P. has requested information on this subject but it has not been provided. The parties should jointly decide whether or not the savings which are proposed are achievable without any material impact upon the quality of the care delivered. The parties should be able to come together on this issue because the medical insurance benefits apply to all employees including management personnel.

Recommendation - No change except the parties agree to eliminate Cigna as a carrier.

Date May 29, 1998

Mitchell B. Goldberg
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Appointed Fact-Finder

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