CONCLUSION REPORT
JULY 22, 2004

JEFFERSON COUNTY SHERIFF	)	
	)	
Employer	)	
	)	
-and-	)	**CASE NOS. 03 MED 07 0763**
	)	**03 MED 07 0764**
	)	**03 MED 07 0765**
OHIO PATROLMAN'S BENEVOLENT	)	**03 MED 07 0766**
ASSOCIATION	)	**03 MED 07 0767**
	)	
Union	)	

REPRESENTATIVE FOR THE EMPLOYER:
Michael L. Seyer

REPRESENTATIVE FOR THE UNION:
S. Randall Weltman

CONCILIATOR:
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INTRODUCTION

The parties in this matter include the Jefferson County Sheriff as the employer and include full-time sergeants, full-time lieutenants, full-time captains, full-time deputies, full-time dispatchers, full-time corrections sergeants and lieutenants. All other members of bargaining groups who are not members of safety forces are excluded from this conciliation report.

Although the employer and the employees could agree to include non-safety forces employees, the employer has chosen not to include anyone who is not a member of the safety force. Therefore, those employees who do not belong to one of the safety forces in the Jefferson County Sheriff's Department shall not be included in this conciliation report and shall be excluded from this conciliation report. In other words, this conciliation report applies only to those bargained for employees who are members of the safety forces.

Previous to this conciliation hearing the parties proceeded to fact-finding and a fact finding report was issued on March 22, 2004.

The parties selected this conciliator on April 20, 2004. A hearing was set for June 30, 2004, at the Jefferson County Sheriff's Department in Steubenville, Ohio.

On June 30, 2004, the parties met for conciliation. Before conciliation was commenced, both parties entered into mediation. Although conciliation did not bring an agreement, it caused the issues to be clarified for this conciliator as well as both parties.

After mediation, both parties moved to modify their last and final offers. The undersigned, after consideration of all matters set forth in mediation, granted the motion of each side to modify their final offers.

Before the conciliation hearing commenced, both parties agreed that each of the other parties had properly served their respective position statements and their respective last and final offers. Both parties further waived the making of a record with recording devices or a court reporter, and directed the conciliator to proceed with the hearing. The procedural matters being agreed upon by the parties, the conciliation hearing was opened.

At the hearing, this conciliator took into consideration the following items: (1) past

collectively bargained agreements, if any, between the parties; (2) comparison of the issues submitted to final offer settlement relative to the employees and the bargaining unit involved with those issues related to other public and private employers doing comparable work, giving consideration to factors peculiar to the area and classification involved; (3) the interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service; (4) the lawful authority of the public employer; (5) the stipulations of the parties; and (6) such other factors, not confined to those listed which are normally or traditionally taken into consideration in the determination of issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact finding, or other impasse resolution procedures in the public service or private employment. Both parties introduced a copy of the fact-finding report into evidence.

FINDINGS OF FACT

There are two issues facing the parties: (1) the extent of the re-opener regarding wages and (2) issues regarding health insurance.

I.

Both parties have agreed to the "freezing" of wages and a re-opener after one year.

The Union's final offer is as follows:

> "An economic and health care premium contribution re-opener shall become effective during the period of 12/15/04 through 1/15/05. Should the parties reach impasse in regard to any matter regarding this re-opener then SERB's dispute resolution mechanism shall be invoked. A conciliator as provided in R.C. 4117.14(G)(11) shall have power and authority to rule on wages

and other matters with cost implications and shall be entitled to award and/or order increases retroactive to October 1, 2004."

The Union points out that the fact-finder recommended the above language. The undersigned finds that the fact-finder did review all the facts and did apply all the criteria set forth in the administrative code and in the Ohio Revised Code.

The Sheriff (Employer) has proposed the following language:

> "Section 3 The parties agree that during the period of December 15, 2004, through January 15, 2005, either party may reopen the agreement for the sole purpose of negotiating modifications to the above referenced hourly rates and the employee's monthly premium contribution towards health care. The party initiating the re-opener shall serve a written notice to the State Employee Relations Board (SERB) with a certified copy to the other party.
>
> In the event the conciliation process is utilized in accordance with Ohio Revised Code 4117, the conciliator shall have the authority to grant wage increases in the fiscal year in which the conciliator is appointed; however, any wage increase ordered by the conciliator may not be effective earlier than October 1, 2004."

The evidence is clear that the county is in financial hardship. Both parties have acted responsibly and have agreed to a wage freeze until October 1, 2004. Although the wording is different, both parties have agreed that a conciliator under SERB's rules and regulations will resolve any differences.

The only real difference between the parties is the ability of the conciliator to review financial items other than wages and premium costs. The language of the employer limits the ability of the parties to negotiate and limits the authority of the conciliator to solve problems. This limitation is not, in the conciliator's opinion, in the best interest of either party or in the best

interest of the taxpayers. Flexibility, after input from both sides, is necessary to resolve future issues.

The last offer of the Union shall be the language of the contract.

II.

The undersigned is mindful of the findings made by the fact-finder regarding health care insurance:

> "The problem which gave rise to this dispute had its genesis in the negotiated language of the expired labor agreement. Under that agreement, the County Commissioners had the unilateral right to modify the terms and conditions of the hospitalization coverage and the unilateral right to implement a contribution by the employees and determine its amount. The previous contract (2000-2003) read:
>
> Section 1. Insurance coverage (hospitalization, major medical, dental, optical, prescription) shall remain the same as presently provided during the term of this contract. In the event the premium payment for such coverage becomes a factor, or should the carrier attempt to modify the existing hospitalization coverage, it may be necessary to solicit bids for an alternate plan(s). Other options may include the employee contributing a portion of the premium payment at some point during the term of this contract.
>
> During the course of the previous contract, the County Commissioners exercised these contract prerogatives and instituted

an employee contribution of $31.00 per month for a single coverage and $54.00 per month for family coverage. In the subsequent year of this contract, the County Commissioners increased the required employee contribution for hospitalization to $87.00 per month for single coverage and $128.00 per month for family coverage. In addition to the installation of employee contributions for hospitalization, the deductibles, co-pays for drugs and the employee's costs for doctor visits were all increased. With a wage a freeze, this resulted in an economic loss to employees.

Excessive cost of insurance and a multi-million dollar debt which resulted from unanticipated claims and insufficient reserves developed for the self insured Jefferson County. The County loaned itself money to cover this eight million dollar debt and set up a repayment plan. During this time, the County contribution per employee rose from $650.00 per month to $1,170.00 per month with a $125.00 per month debt reduction contribution which is revised to a $70.00 a month debt reduction payment. All other employees and bargaining units have been affected by this drastic hospitalization and medical cost increases and they are all under the same plan.

For the year of October 1, 2003 to October 1, 2004 the County had implemented a wage freeze even though contributions

by employees for the medical were increased. The insurance changes and the contributions by the employees have been implemented to all County Union and non-Union employees alike. In addition, budgeting restrictions have necessitated layoffs throughout, including some employees in this Sheriff's Department.

The Union asks that the Fact-Finder remove this insurance language from the agreement and complains that it resulted in unreasonable and unfair treatment. There is no doubt the results were catastrophic to both the bargaining unit employees, and laid off employees, as well as to the County's budget and its contribution level. However, that was negotiated language and one would not expect a fact-finder to cut wages or other negotiated benefits included in a proper agreement based upon the budgeting changes or catastrophic events..." Fact Finding Report, pp.5-6.

In his finding, the fact-finder recommended that no "substantial additional insurance coverage modifications may be implemented and no additional contribution may be required during the life of this new agreement." Fact Finding Report, p.6 (emphasis added). The fact-finder did not define the phrase "substantial additional insurance coverage modifications."

The fact-finder further concluded that it was outside of his province to preclude the county from changing insurance carriers. The recommendation had a "me too" provision for

increased benefits or lower costs.

The recommendation stated that the features in the "hospitalization plans are terms and conditions of employment, as such are frozen for the life of this agreement." The fact-finder recommended the same benefits for the life of the contract, permitting the employer to change carriers so long as there were no "substantial modifications" not any additional contributions from the employees.

The fact-finder and this conciliator finds that during the course of this past agreement and in recent history, costs of insurance and unanticipated claims resulted in insufficient reserves necessitating an increase in premiums. The increase has been dramatic. These increased costs have been at least partially passed on to all employees of the county including the employees of the bargaining unit covered by this conciliation. Because the employees have been subject to a wage freeze, the increase in medical costs has resulted in an economic loss to all employees, including the employees covered by this conciliation. Neither the wage freeze nor the sharing of health care costs by the employees has prevented layoffs.

The previous agreement contained bargained for language, which permitted the County Commissioners to unilaterally change plans and to require employees to contribute a portion of the premium payment. See, Article 35, Section 9, Insurance Coverage. This section also has the following language: "prior to any changes, the Employer shall provide the Union with advanced notice and attempt to seek alternatives in a meeting with the Union." The employer claims that although there is an advisory committee, members of the bargaining units do not participate in the process. The Union counters that their members are notified only after a decision is made by the County Commissioners. This evidence is disappointing. There existed a mechanism in the

prior contract for both parties to solve the issue of increasing costs of healthcare. For whatever reason, this clause was not used in any meaningful way. The last offer of the employer would remove that clause.

The health insurance issue has become a main issue driving the decision making process of both employers and employees. The health insurance issue now has a direct affect on employee income.

The Union argues that the employees realize that their wages are modest. Those who enter public service are not "in it" for the money. However, health care benefits for public employees have always been good and stable. Over the past several years, the increased costs of health care have taken away benefits and have decreased wages.

The employer argues that nowhere in the public or private sector do employees now have full coverage of health benefits without employees sharing the costs of those benefits.

This situation, which exists statewide, has shaken the stability of the public employment system.

As the contract now exists, the County Commissioners have unfettered discretion to change health care benefits and to pass off these increased costs. This provision gives the public employer a "quick fix," but over time has strained the relationship between the employer and the employees by unilaterally forcing concessions on the employees.

In his report, the fact-finder desires to retain the status quo on insurance; however, the fact-finder recommends that no "substantial" additional insurance coverage contribution may be required during the life of the agreement. Fact Finding Report, page 6. The recommendation keeps the same language of the previous contract, but prohibits the employer from exercising its

bargained for rights of requiring employee contribution, by freezing the terms and conditions of the hospitalization plan for the life of the contract.

The fact-finder also recommends a "me too" clause for increased benefits and lower contributions. The fact-finder states that although the status quo ought to be retained, the fact-finder further recommends that the County Commissioners cannot unilaterally change health care benefits nor unilaterally pass on increases of health care costs to the employees. The fact-finder has recommended the removing of this unilateral discretion of the County Commissioners without directly recommending the removal of the language.

The undersigned finds that the language of the last contract has not been the best solution to the problem of rising health care costs. The undersigned recognizes that there may not be a solution to this problem. Furthermore, the parties may not have the ability to meet the problem.

This problem with healthcare has resulted in layoffs and poor morale. The negative impact on the employees is obvious. The negative impact on the public is a decrease in service from the safety forces. Both parties deserve an opportunity to meet this challenge. More importantly, the taxpayers deserve the right to have the parties solve this problem with collective bargaining. The undersigned is optimistic that the scrutiny of the taxpayers should guide the parties.

The final offer of the employer is as follows:

> "Section 1: The employer shall make available to all full-time bargaining unit employees the same major hospitalization care insurance plans that are available to non-bargaining unit Jefferson County employees. If such non-bargaining unit Jefferson County employees are required to pay a portion of the monthly insurance premiums, the same contribution shall also apply to bargaining unit employees through payroll deduction. The monthly insurance premiums in effect at the execution of this agreement shall remain

> in effect until January 31, 2005. All insurance requirements specified for such non-bargaining unit Jefferson County employees shall also be applicable to bargaining unit employees. The employer will provide the Union with advance notice of any modifications to the plan and/or of the individual employee's monthly insurance premium."

This language, although it may have been accepted by other unions, gives the employer unilateral control to set benefits and to pass on the cost of the premiums to the bargaining unit employees. The employer's language removes the clause that provides advance notice of any proposed changes. In other words, the employer desires to retain unilateral control of benefits and the ability to pass on the costs of those benefits without input from the union. This language is unacceptable.

The Union's last and final offer is as follows:

> "The Employer shall provide hospitalization, medical service coverage, and other health insurance benefits at the benefit level substantially equal to or better than the existing coverage. The employer reserves the right to change coverages or carriers, so long as the new coverage is substantially equal to the existing coverage. Under no circumstances shall the plan provided by the Employer contain costs to the employee in excess of those listed in the schedule of medical benefits set forth as Appendix 1, which is incorporated herein by reference. Nor shall the Employer be permitted to decrease any of the services or benefits set forth in Appendix 1. (Appendix 1 is set forth as Exhibit 2, hereto).
>
> Effective January 1, 2004, the employee's share of healthcare premiums shall be $87 per month for single coverage and $128 per month for family coverage. These amounts shall remain unchanged unless the employer unilaterally reduces the amounts and/or a different amount is negotiated, or ordered pursuant to the parties' 2004 wage and benefit reopener."

Exhibit 2, which is referenced above, is Jefferson County Employee Health Plan is attached to the position statement of the Union and introduced into evidence. A copy of that

employee health plan has been attached hereto.

The fact-finder stated that he wanted to keep the status quo, which would keep the language in the contract that permitted the employer to unilaterally change health care benefits and pass on a portion to the employees. However, the employer recommended that no substantial changes would be made and permitted a negotiation re-opener on wages. In his report, the fact-finder did not recommend any specific language. This conciliator finds that unilateral action by one party regarding an item that directly affects the wages of the employees is unacceptable. Negotiation and collective bargaining must be permitted in this situation.

Past collective bargaining agreements and giving the employer a unilateral right to change benefits and pass on costs has resulted in concessions by the employees and layoffs. This unilateral right to change benefits and unilaterally pass on costs provided a "quick fix" for the health insurance issue. It is true that other bargaining units in this county have agreed upon language suggested by or similar to the language by the employer. However, this has not solved the problem. It has only passed the problem on to the employees. This is a safety force. It is paramount that this safety force is paid properly. Morale and proper staffing serves the parties and the taxpayer.

However, the Union employees must realize that those who hold the purse strings, the County Commissioners, can spend money only in serving the public trust. "Solutions" to these rising costs, as opposed to "demands," will best serve the public, and in the long run, will best serve the parties. In other words, the Union must be sensitive to the rising costs of health care, and must be willing to assist in meeting the issue of increased health care costs.

This new contract language gives the employees a right to become part of the decision

making process. With that right comes a heavy responsibility.

The last and final offer of the Union/employees shall be made part of the contract.

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CERTIFICATION

A copy of the foregoing answer has been sent via certified U.S. Mail this 22 day of July, 2004 to: **Michael L. Seyer, Clemans, Nelson, & Associates, Inc. 2351 South Arlington Road, Suite A, Akron, Ohio 44319, Representative for the Employer** and **S. Randall Weltman, Ohio Patrolmen's Benevolent Association, 10147 Royalton Rd., Suite J, P.O. Box 338003, North Royalton, Ohio 44133** and to **Dale A. Zimmer, Administrator Bureau of Mediation SERB, 65 East State Street 12th Floor, Columbus, Ohio 43215-4213.**

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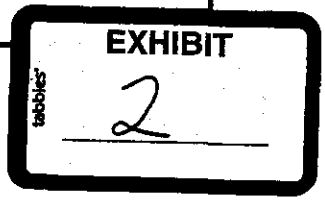
JEFFERSON COUNTY

EMPLOYEE HEALTH PLAN



SCHEDULE OF MEDICAL BENEFITS

BENEFITS	PPO	NON-PPO
PRESCRIPTION DRUG BENEFIT (through AdvancePCS)	Plan pays 75% of the drug cost (no deductible) with $10 min per fill If Brand is purchased and Generic is available, Covered Person pays 25% plus the difference in cost between Generic and Brand	
MAIL ORDER DRUG BENEFIT (through AdvanceRX.com)r	Plan pays 80% of the drug cost (no deductible) with $5 minimum and $25 maximum per fill. If Brand is purchased and Generic is available, Covered Person pays 20% plus the difference in cost between Generic and Brand	
CALENDAR YEAR DEDUCTIBLE (no cross application between PPO and non-PPO deductibles) Per Person Per Family	 $400 $800	 $800 $1,600
BENEFIT PERCENTAGE PAYABLE	80%	50%
COINSURANCE MAXIMUM OUT-OF-POCKET PER CALENDAR YEAR (excluding deductible and charges for mental illness and/or substance abuse). No cross application between PPO and non-PPO Coinsurance Coinsurance Max Out-of-Pocket amounts) Per Person Per Family	 $2,000 $4,000	 $4,000 $8,000
LIFETIME MAXIMUM BENEFIT	$2,500,000	
AMBULANCE	80% after deductible	
SECOND SURGICAL OPINION BENEFIT	100%; deductible waived	
INPATIENT HOSPITAL (non-Mental/Nerv/Subst Abuse) Co-Payment per Confinement	80% after deductible None	50% after deductible $200
INPATIENT HOSPITAL (Mental/Nerv/Subst Abuse) Co-Payment per Confinement Maximums shown apply toward each other	80% after deductible $100 Max 30 days/cal yr & 60 days/lifetime	50% after deductible $200 Max 20 days/cal yr & 60 days per lifetime
EMERGENCY ROOM for Emergency Care Co-Payment per Visit	80% after deductible $100	80% after deductible $100
PHYSICIAN OFFICE VISIT (including specialists) Co-Payment per Visit	100%, deductible waived $20	50% after deductible None
SPEECH THERAPY (limited to max of 20 visits per cal year)	80% after deductible	50% after deductible
OUTPATIENT PHYSICAL THERAPY (maximums shown apply toward each other)	80% after deductible to max of 15 visits/cal year	50% after deductible to max of 10 visits/cal year
OUTPATIENT MENTAL/NERVOUS – the maximums shown apply toward each other Co-Payment per visit	80% after deductible to max of 30 visits/cal yr & 120 days/lifetime $20	60% after deductible to max of 20 visits/cal yr & 120 days/lifetime $20
OUTPATIENT SUBSTANCE ABUSE – the maximums shown apply toward each other Co-Payment per visit	80% after deductible to max of 30 visits/cal yr & 60 days/lifetime $20	60% after deductible to max of 20 visits/cal yr & 60 days/lifetime $20
VOLUNTARY STERILIZATION	80% after deductible	Not Covered
HOME HEALTH CARE	80% after deductible to max of 100 visits/cal year	Not Covered
TEMPOROMANDIBULAR JOINT DYSFUNCTION	80% after deductible	Not Covered
SKILLED NURSING FACILITY – max 100 days/cal yr Co-Payment per admission	80% after deductible $100	50% after deductible $200
HOSPICE	80% after deductible	Not Covered
CHIROPRACTIC SERVICES (max 12 visits/cal yr) Co-Payment per visit	80% after deductible $20	50% after deductible None
WELL CHILD CARE Co-Payment per Visit	100% (deductible waived) to a maximum benefit of $500 from birth to age 1 and $150/cal yr from age 1 to age 9 $20	Not Covered
ADULT PREVENTIVE CARE Co-Payment per Visit	100% (deductible waived) to a max of $500/cal yr $20	Not Covered
SURGERY	80% after deductible	50% after deductible
DIAGNOSTIC X-RAY AND LAB	80% after deductible	50% after deductible
RADIOTHERAPY AND CHEMOTHERAPY	80% after deductible	50% after deductible
INHALATION THERAPY	80% after deductible	50% after deductible
CARDIAC REHABILITATION (max benefit of $1,000/cal yr)	80% after deductible	50% after deductible
DURABLE MEDICAL EQUIPMENT	80% after deductible	50% after deductible
ROUTINE MAMMOGRAMS (max benefit of $85/cal yr)	100% (deductible waived)	Not Covered
ANNUAL ROUTINE PAP SMEARS Co-Payment per test	100% (deductible waived) $20	Not Covered

PRE-ADMISSION NOTIFICATION IS REQUIRED FOR ALL NON-EMERGENCY HOSPITAL ADMISSIONS. POST-ADMISSION NOTIFICATION IS REQUIRED FOR ALL EMERGENCY HOSPITAL ADMISSIONS. IF NOT RECEIVED, A PENALTY OF $200 WILL BE APPLIED TO THE HOSPITAL CONFINEMENT.

SCHEDULE OF DENTAL BENEFITS

CALENDAR YEAR DEDUCTIBLE	
TYPE I SERVICES	NONE
TYPE II, III AND ORTHODONTIC SERVICES*	$50 PER PERSON $100 PER FAMILY
BENEFIT PERCENTAGES	
TYPE I SERVICES	100% OF REASONABLE CHARGE
TYPE II SERVICES	80% OF REASONABLE CHARGE
TYPE III SERVICES	80% OF REASONABLE CHARGE
ORTHODONTIC SERVICES*	60% OF REASONABLE CHARGE
MAXIMUM BENEFIT PAYABLE PER CALENDAR YEAR	
TYPE I, II & III SERVICES COMBINED	$1,500 PER PERSON
MAXIMUM LIFETIME BENEFIT	
ORTHODONTIC SERVICES*	$1,000 PER PERSON

* Orthodontic Services are only provided to Eligible Dependent children to age 18.

SCHEDULE OF VISION BENEFITS

VISION EXAMINATION	$50
LENSES (Per Pair) and Frames	
SINGLE VISION	$150
BIFOCALS	$150
TRIFOCALS	$150
CONTACT LENSES (Per Pair)*	
NECESSARY	$250
COSMETIC	$80

(Contact lenses can be allowed in lieu of lenses and frames)

* Note: the amount for a single lens is 50% of the amounts shown for a pair of lenses.