



STATE EMPLOYMENT
RELATIONS BOARD

2006 OCT 18 A 11: 22

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In the Matter of Conciliation *
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Between *
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FOP-OLC *
*
and *
*
The City of Avon Lake, OH *
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SERB Case Numbers:
05-MED-09-0942, 0943,
0944 ✓
Before: Harry Graham

APPEARANCES: For FOP-OLC

Hugh Bennett
Senior Staff Representative
FOP-OLC
3076 Hillside Trail
Stow, OH 44224

For The City of Avon Lake:

Michael T. Loughman
Baumgartner & O'Toole
5455 Detroit Rd.
Sheffield Village, OH 44054

INTRODUCTION: Pursuant to the procedures of the Ohio State Employment Relations Board a hearing was held in this matter before Harry Graham. A prior proceeding, a Factfinding, had been held before Factfinder Dennis Minni. His recommendations to the parties had been rejected. At the Conciliation hearing the parties were provided complete opportunity to present evidence and testimony. Prior to the hearing pre-hearing statements were properly submitted. The record in this matter was closed on October 4, 2006 in Avon Lake, OH.

ISSUES: There are two issues in dispute in this proceeding.

They are wages and health insurance.

ISSUE 1, WAGES

POSITION OF THE UNION: The Union proposes there occur three (3) three percent (3.0%) wage increases. The first increase should be retroactive to January 1, 2006.

(Retroactivity is not at issue in this proceeding).

The Union contends that its proposal is in line with wage increases being seen throughout the State. It is not exorbitant. It is close to what the Factfinder recommended. In his report Factfinder Minni recommended two (2) three (3.0%) percent wage increases to be followed by a third increase of 2.75%.

Communities on the west side of the Cleveland, OH metropolitan area provide a mixed picture for comparison purposes. Some, eg. Rocky River, Westlake, pay more than Avon Lake. Others, eg. Bay Village and Elyria pay less. Comparisons cannot be dispositive of the decision in this matter in the opinion of the Union.

The Ohio State Employment Relations Board publishes data concerning average wage settlements throughout the public sector of the State. The most recent data show settlements to be 2.85% for 2006 and 3.00% for 2007. Its proposal is in the mainstream according to the Union.

Throughout negotiations the City did not make a strenuous

claim of "inability to pay." Rather, the Union characterizes the position of the City as "we do not want to pay." The Union acknowledges that the year-ending cash balances of the City have been declining. That is an accounting artifact in the view of the Union. The City has been spending substantial amounts on debt service. These are now declining, starting in 2005 and 2006. Hence, there is no question the City can meet the claim of the Union without difficulty. At the same time, funds available to the General Fund have increased.

The Union is aware that Ford Motor Co. is a substantial employer in Avon Lake. It acknowledges that Ford is experiencing financial hard times. However, the wave of plant closings by Ford has apparently spared Avon Lake. There can be no claim by the City that the wolf is at the door. As the Union presents the situation in Avon Lake there is no reason for its proposal on wages to be rejected.

POSITION OF THE EMPLOYER: The City proposes there be wage increases of three percent, (3.0%), three percent (3.0%) and two and three-quarters percent (2.75%). Those increases were recommended by the Factfinder. They should not be altered according to the City. The City points out that its carry-over balance has been declining. Further, wages for officers in Avon Lake (all bargaining units in this proceeding) are generally comparable to those elsewhere in the area. There is

no reason for the City to pay more than was recommended by Factfinder Minni it asserts.

DISCUSSION: When interest arbitration (conciliation) follows factfinding the recommendations of the Factfinder should be given great weight. Unless they are palpably erroneous they must be given careful consideration. Even if the Conciliator would have made a different recommendation to the parties the report of the Factfinder is due considerable deference.

In this situation the difference between the parties is small, only .25% over three years. There can be no question that the City can afford the .25%. That does not end the scrutiny. As is seen below, this issue is bound to health insurance. Neat compartmentalization between them is impossible. The City is seeking substantial change in health insurance that will increase the financial burden on members of the bargaining units. The Union has acceded to some of the changes sought by the City. Under the circumstances involving the relationship between health insurance and wages the proposal of the City on the issue of wages is awarded.

ISSUE TWO, HEALTH INSURANCE

POSITION OF THE UNION: In the course of negotiations the parties had substantial discussions over health insurance. They agreed to certain changes in plan design. Included were

modifications in the deductible, office visit payments, co-payments and the drug plan. These changes will save the City approximately \$60.00 per month for family coverages and \$30.00 per month for single coverages.

The heart of the remaining issue between the parties on health insurance is the amount that should be paid by employees towards the premium. The Union proposes that for 2006 any amount over the proposed employer contribution be divided 50/50 with a member cap of \$720.00 per year. The City proposes a cap of \$1200.00 per year. In 2007 the Union proposes a cap of \$760.00 per year while the Employer proposes a cap of \$1320.00 per year. For 2008 the Employer proposes a cap of \$1440.00 per year. The Union is at \$780.00 per year. The 50/50 division would remain in place throughout, subject to the caps.

The proposal of the City is unrealistic according to the Union. There has been some moderation in the growth of health insurance costs. The City proposal is unnecessary in the view of the Union. Further, the "Health Care Comparable Chart" found in the Union exhibits demonstrates that Avon Lake is not out of line compared to other communities in the area with respect to health care payments. Some communities, eg. Amherst, Bay Village, North Ridgeville and Vermilion continue to pay 100% of the health insurance premium. (No

consideration is given to Beachwood as it is far removed from Avon Lake). Additionally, the Factfinder recommended adoption of the proposal of the Union. Under these circumstances it should be awarded the Union urges.

There is another factor of note regarding this issue. As is common the City negotiates with a number of unions. Relevant to this proceeding are the Firefighters. At hearing the City represented that the Firefighters have agreed to its proposal. The Union disputes that. Even if it were true, the FOP should not be held to the Agreement of the Firefighters as they were not at the table and are unaware of any benefit that the Firefighters might have secured in exchange for agreement with the City on the matter of health insurance.

POSITION OF THE EMPLOYER: The proposal of the City has been set forth above. That proposal is not exceptional. Employees of Avon Local Schools make payments towards health insurance without the cap agreed to by the City. Further, in the current agreement between the School system and its unions the amount to be paid by the school district was reduced from 95% of the premium to 90% of the premium. For employees hired after September 1, 2006 the school district pays 80% of the premium. By comparison, the proposal of the City is generous.

As pointed out above the Firefighters have agreed to its

proposal on health insurance according to the City. It points to the proposal of the IAFF dated 6/30/06 which embraces the City proposal. Should the position of the Union on this issue be awarded the City will be in the unenviable position of having more than one health insurance plan, a situation it does not desire to confront. As payments of the sort proposed by the City are seen in the area and have been accepted by the IAFF the City contends its proposal should be awarded.

DISCUSSION: In the ordinary course of proceedings such as this an internal pattern is given great weight. I accept that the Firefighters and the City have reached agreement on health insurance. Now, the City comes to the police and seeks consistency. It urges against balkanization of its health insurance plans. The argument of the City is very powerful. I and other neutrals have consistently declined to award varying health insurance benefits in a particular jurisdiction. Different plans affecting different groups of employees are obviously cumbersome to administer and have the potential of setting one group of employees against another.

Opposed to the observations above is the recommendation of the Factfinder. His recommendation has been embraced by the Union as its position in this proceeding. Recommendations of Factfinders should be given great weight and not lightly disturbed by Conciliators. Furthermore, the Union has

accepted changes in the health insurance plan that result in savings to the Employer. These are estimated at approximately \$65.00 per month for family coverage and \$30.00 per month for single coverage. These are not insignificant amounts.

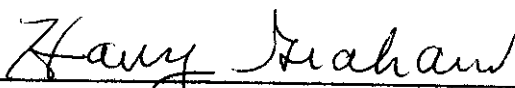
Whatever may be the outcome of the negotiations between the City and the IAFF on the issue of health insurance the record on balance, the award of the Factfinder and the savings that will be enjoyed by the City as a result of negotiations with the FOP, prompt an award of the position of the Union on the issue of health insurance.

SUMMARY OF AWARD

ISSUE 1, WAGES: The proposal of the City is awarded.

ISSUE 2, HEALTH INSURANCE: The proposal of the Union is awarded.

Signed and dated this 16th day of October, 2006 at Solon, OH.



Harry Graham
Conciliator