

**STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD**

In the Matter of:

CITY OF GRANDVIEW HEIGHTS)	CASE NOS.
)	10-MED-10-1376
AND)	10-MED-10-1377
)	
FRATERNAL ORDER OF POLICE,)	
CAPITAL CITY LODGE #9)	<u>CONCILIATION AWARD</u>

MELVIN E. FEINBERG, CONCILIATOR

APPEARANCES

FOR THE EMPLOYER:

**Jonathan J. Downes
Attorney at Law, Partner
Downes Fishel Hass Kim, LLP**

FOR THE UNION:

**Robert R. Byard
Attorney at Law
Hunter, Carnahan, Shoub, Byard & Harshman**

SUBMISSION

This matter concerns the conciliation proceeding between the City of Grandview Heights and the Fraternal Order of Police, Capitol City Lodge #9.¹ The State Employment Relations Board (SERB) appointed the undersigned Conciliator on June 1, 2011. The Parties had previously engaged in substantial negotiations and participated in a fact-finding hearing on April 12, 2011. Thereafter, on April 29, 2011 the Fact Finder issued a report which was rejected by the City.

Pursuant to the mutual agreement of the Parties regarding the scheduling of this case, the conciliation hearing occurred in this matter on July 8, 2011 in Grandview Heights, Ohio.² Prior to the conciliation hearing, in accordance with SERB rules, the Parties filed complete position statements and copies of their last Contract covering the two bargaining units involved in this case. The Conciliator offered to mediate any of the outstanding issues between the Parties, but they expressed a desire to immediately proceed to hearing. The conciliation proceeding was conducted in accordance with the rules and regulations of SERB.

On the date of hearing there were five (5) issues left for determination by the Conciliator: wages, pension pick-up, insurance, vacations, and injury leave. Tentative

¹ The City of Grandview Heights is also referred to herein as the City and/or the Employer.

The Fraternal Order of Police, Capital City Lodge 9 is also referred to herein as the Union and/or Lodge 9.

² The July 8, 2011 hearing in this matter was convened at approximately 10 A.M. and ended at approximately 8 P.M. The Parties were given a full opportunity to present and examine witnesses, to introduce documentary evidence, and to orally argue their positions. They were also permitted to file, and did file, post-conciliation hearing briefs further explaining their respective positions. The Conciliator was requested by the City to tour City Hall, presumably to view examples of that facility's repair/replacement needs, but declined to do so, and instead took testimony concerning the City's capital improvement needs, vehicle repair/replacement requirements, and needed road repairs.

agreements were reached by the Parties regarding all other provisions of the proposed Collective Bargaining Agreement.³

BACKGROUND

The City recognizes the Union as the sole and exclusive representative for all employees included in the following two bargaining units involved herein:

1. All regular full-time sworn Police Officers of the City who are below the rank of Sergeant.
2. All regular full-time sworn Police Officers who are of the rank of Sergeant and above.

Excluded from inclusion in either bargaining unit ... are the positions of Chief and Captain.

There are approximately thirteen (13) Police Officers in Unit 1 and approximately four (4) Sergeants in Unit 2.

CONCILIATION CRITERIA

The Ohio Public Employee Bargaining Statute sets forth the following criteria which the Conciliator was mandated to consider and did consider in making the Awards in these cases. The criteria are set forth in ORC 4417.14(G)(7)(a)-(f) and OAC 4117-9-06(H)(1)-(6) and are as follows:

- (1) Past collectively bargained agreements, if any, between the parties.
- (2) Comparison of the issues submitted to final offer settlement relative to the employees in the bargaining unit involved 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 Parties executed and submitted a "Conciliation-Waiver of Record" form which was received into evidence as part of the record on July 8, 2011 by which they agreed to "... waive the composition of a verbatim written record of the Conciliation... and to accept the Conciliator's notes and the documentary evidence received as a full and complete record consistent, and in full compliance, with O.R.C. Section 4117.14(G)(6)."

(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;

(6) Such other factors, not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of the issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution procedures in the public service or in private employment.

The Conciliator in arriving at his analysis and Awards was also guided by the Parties' oral and written presentations on the issues, by the testimonial and documentary evidence presented during the proceedings, and by the record as a whole.

POSITIONS, DISCUSSIONS AND AWARDS REGARDING THE OUTSTANDING ISSUES

ISSUE NO. 1: WAGES – ARTICLE 22 and

ISSUE NO. 2: PENSION PICK-UP (PPU) – ARTICLE 24

City's Position:

The City's last best offer is as follows:

(a) 1.5% increase effective with the pay period beginning June 29, 2011 (the first pay period covering July 1, 2011). As addressed in Article 24, PPU of 7.6% stays the same in Year 1.

(b) 2% increase as of December 14, 2011 (the first pay period covering January 1, 2012) with an additional 3.05% cost-neutral conversion of half the PPU (the remaining PPU continues to be picked up by the City throughout Year 2).

(c) 2% increase as of December 12, 2012 (the first pay period covering January 1, 2012), with an additional 3.05% cost-neutral conversion of the remaining half of the PPU.

(d) An 8% increase, to \$46,196, for Starting Officer pay (this has no impact on current employees, as they are effectively at top officer pay).

(e) Modifying Tier B from four (4) to five (5) step increases to reach top officer pay. The result is that future hires will receive the same pay scale spread out over one additional year. A Step 3 officer under Tier A makes the same as a Step 5 officer in Tier B. In other words, a current member with three or more years of service will never make less than a new member with five or less years of service.

The City's offer maintains the two-tier wage structure in the expired Contract. Tier A covers wages and steps for current employees, and Tier B applies to persons to be hired in the future (no current employees are impacted by Tier B). Of the current employees, all but one are at top officer pay, and the remaining one will reach top officer pay at his three-year anniversary in September 2011. The City's offer adds one step to Tier B, lessening the impact of the year-to-year increases that average 15% between steps, without impacting any current employee.

The City's offer reflects the declining economic situation within Ohio, the State budget which allocates less money to the City, and other negative factors in the economy at large. The Union's Contract examples reflect bargaining units that are not comparable to that of the City. Grandview Heights is different demographically, economically and geographically from the limited comparable cities covered by the Union. Among other things, it only has 6,500 residents and that number is declining. It has one of the highest percentages of senior citizens as a percentage of all tax exemptions and the oldest median age of homes. A high percentage of its residents are renters rather than owners of property. The City has been badly hurt by the recession and the closure of businesses which has resulted in the loss of significant revenue. It is a small landlocked community with limited commercial development potential. The City has the highest police-to-population ratio with a lower crime rate than other comparable cities located within

Franklin County. It is one of a minority of Franklin County cities with Lodge #9 contracts that also has a full-time fire department. The Fire Department costs the City 24% of its payroll budget.

Serious declines in revenues have also been or will be caused by the reduction in the local government fund contribution from the State of Ohio, the eventual elimination of the estate taxes, and the elimination and/or phasing out of tangible property taxes and of public utility taxes. Interest rates are low, affecting the City's interest earnings. The City increased its income tax, which is now the second highest tax rate in Franklin County, and it continues to experience a decline in revenue. Most of the City's working residents are employed in Columbus, Ohio, and other areas outside of the City. Consequently, the City, though it has a high income tax rate, gets a much smaller amount of return from its tax than one might expect it to receive. The Grandview Yard project has lagged in building occupancy and consequently expected revenues from that project have not materialized.

Road resurfacing, remodeling or rebuilding City Hall, and purchase and repair of service department vehicles have been put on hold by the City due to its dire financial condition.

There have been significant reductions in civilian staff since 2004. The City currently has sixty-one (61) employees, with authorization for sixty-eight (68). It had eighty (80) employees in 2003. It has reduced management and administrative civilian staff from fourteen (14) in 2008 to eight (8). Positions have been abolished and duties have been assumed by employees occupying other positions. The Mayor also occupies the positions of Service Director and Safety Director. The Fact Finder referenced current

staffing levels, but did not consider the nearly 25% reduction in staffing overall or the over 40% reduction in administrative staff since 2003.

The City has maintained police staffing and their wage increases while making reductions in civilian staff, increasing taxes, and eliminating needed purchases. Expenditures of over \$623,000, or over 7% of the 2010 budget, were eliminated in that year (City Exhibit 10, page 3).

Both the insurance and wage proposals of the City would leave the bargaining units' members in a similar comparative position to other City employees and to police officers in other comparable municipalities. Many of the bargaining units' members are paid more than the City administrative staff, including department heads. The Union's objection to having the units' members compared to police agencies represented by other unions directly conflicts with the statutory criteria for comparative analysis. Moreover, the Union's economic presentation did not consider the "roll-up" costs and the compounding effect of the increases. The Union's own fiscal witness agreed with the City's Director of Finance on both the previous and current status of the City's budget, the total cost of the Union's wage proposals, and the state of the general economy (City Exhibit 35).

The City's Director of Finance indicated at the midyear 2011 budgetary status review that due to the State's revenue reductions which began taking effect in July 2011, the City's financial condition will be worse than budgeted. The cash balance at June 30, 2011 dropped by approximately \$500,000, in line with the Finance Department's year-end 2011 cash balance projections.

In view of the City's financial condition, the unpredictable and thus far negative state of the economy, and considering the comparables of other similar bargaining units, the City believes that its wage offer is a fair one. This is especially true when the City's HSA contributions to the units' officers are considered.

As noted in the Employer's position involving Article 22 - Wages, the City proposes that in Article 24 - Pension Pick-Up (PPU) the PPU remain intact (7.6%) in Year 1 of the new Contract, that half of this amount be converted on a cost-neutral basis in Year 2 (thus adding 3.05% into base wages), and the same conversion occur in Year 3 with the remaining 3.8% PPU amount, so as to convert that amount on a cost-neutral basis and at another 3.05% to wages. After Year 3, the PPU will be eliminated.⁴

The term "cost-neutral" means that the City has adjusted the impact that mandated add-ons (such as Medicaid, worker's compensation, and Ohio Police & Fire Pension Fund payments at 19.5%) have when calculated on a higher base salary. Conversion of PPU cannot be treated on a dollar-for-dollar basis. Other conciliators and fact finders have adopted this adjusted method of calculating the PPU conversion for central Ohio municipalities.

Union's Position:

The Union in its last best offer for conciliation asks for pay increases for all steps of the pay scale (Article 22, Section 22.1, Tiers A and B) of 0% effective December 15, 2010; 3% effective December 14, 2011; and 3% effective December 12, 2012. However, in Year 1, effective the first pay following the Conciliation Award, the Union Wage/Pension Pick-Up proposal seeks to exchange the current 7.6% pension pick-up, as

⁴ The City additionally proposes changes in the effective dates of various contributions in Article 24 - Pension Pick-Up, Section 24.1 - City Contribution. It proposes that Sections 24.2, 24.3, and 24.4 remain the same.

described in Article 24, Section 24.1 of the expired Contract, and “...fuse the 7.6% directly to the wage tables of Article 22.” The Union contends that the full 7.6% from the PPU is appropriate since pension pick-up is and should be a dollar-for-dollar benefit for employees. For every dollar of the employee contribution that is picked up by the Employer, it is a dollar in the pocket of the bargaining units’ members and has always been negotiated as such. The conversion of pension pick-up to wages insures the bargaining units’ members do not lose any part of the 7.6% of their present annual compensation rate. The Parties agreed that in view of Ohio Senate Bill 5 (SB5) there was a need to eliminate pension pick-up. Under SB 5, a public employer is forbidden to pay any portion of public employees’ state pension contributions or payments. Both the City and the Union have presented proposals to do away with pension pick-up and to convert the amounts directly into the wage tables of Article 22. They only dispute how and when to accomplish that goal.

The City has, in the past, used pension pick-up in lieu of increases to base pay. Although the Union’s proposal that the City pay additional wages rather than paying pension pick-up, which is paid in pretax dollars, would be more expensive — such expenses are minimal. The Union wage proposal has taken that extra expense into account by offering an effective 0% raise in Year 1, although comparables support a 3% raise for that year. The Union asks for a 3% across-the-board raise for all of the bargaining units’ members in Year 2 and again in Year 3 of the new Contract. Comparables support all of the raises the Union requests.

It also proposes the deletion of Article 24 – Pension Pick-Up as the City, under the Union’s proposal, will no longer be responsible for that expense.

The Union's wage proposal keeps pace with the wages of other Lodge 9 members with collective bargaining agreements in other law enforcement agencies throughout Franklin County. It must be noted that the Union's proposal in conciliation regarding wages is even less than the Fact Finder recommended. The City's wage proposal is only approximately \$31,000 to \$32,000 less than that of the Union's over the entire term of the proposed Contract.

The risk of the Grandview Yard project falls on a private developer and not on the City. The City raised its income tax $\frac{1}{2}$ % in July 2010 and, thereafter, gave raises to non-bargaining unit employees. It also raised the Mayor's salary 64% over the next four (4) years.

The City has budgeted for eight (8) vacant positions, which permits it to use those funds elsewhere. Two (2) of the four (4) Sergeants have just retired and the City has not committed to filling those vacancies.

The City started 2011 with well over \$3 million in unencumbered funds and will finish the year, by its own projections, with over \$2 million (City Exhibit 21). It remains on target to substantially outperform its budget projections this year (Union Exhibits J and K). Furthermore, although City Exhibit 2 and the Mayor's testimony indicate that the City was "financially distressed" in 2004, this is 2011. The City budgeted nothing for estate tax in the future, even though the estate tax will not be phased out until 2013. The City's five-year projection shows income tax and property tax gains in the future. City Exhibit 11 indicates the budgeted daily operating expenses of the City, but the actual daily expenses are \$1,000 less per day year-to-date, "... meaning \$365,000 to the good for the City if it remains on pace for the remainder of the year." City Exhibit 17 shows the

reduction in local government revenue funds expected by the City in 2011-2013, which was actually less painful than the City had anticipated. (See Fact Finder Report, Findings of Fact #13 and City Exhibit 11). It clearly has an ability to pay and finance the Union's wage proposal.

The City does have its financial problems, but they are not as bleak as is portrayed by the City. Although it has roads that may need repairing and buildings that might need to be renovated, it has no definite plans to undertake those projects.

The Union's comparables are the same as those presented in fact finding by the City. They represent the wage rankings for 2009-2012 in all agencies with collective bargaining agreements between those agencies within Franklin County represented by the Union. This is the relevant market. The Union's fiscal witness testified as to the inapplicability of cities like Cleveland compared to the local Columbus market. The City itself utilized the Union's agencies to demonstrate comparables. (See City Exhibit 28, Tabs B and C).

With respect to wage comparables, Grandview Heights ranks fourteenth (14th) of the twenty (20) Union agencies with collective bargaining agreements, second to last of all the other municipalities covered by Union contracts, and only above very tiny townships. Moreover, the bargaining units' members herein work alongside the officers from neighboring jurisdictions represented by the Union. They deal with the same individuals and problems as those dealt with by police officers in those jurisdictions.

The Union's wage proposal for 2011 is roughly 3% below local market comparables. For 2012 the Union's proposal for 3% raises is less than the average increase for agencies ranked above the City (3.375%), but in line with the average of all

jurisdictions (3%). The Union's 3% proposal for 2013 is less than the Fact Finder's recommendation. If the City's wage proposal is granted, Grandview Heights' bargaining units' members would rank "... dead last for percent of negotiated wage increases for 2011 forward" among comparable cities.

The Union's wage proposal is reasonable, comparable, competitive, and is within Grandview's ability to finance and pay. The experienced Fact Finder agreed.

Discussion and Award

The City, like all cities in Ohio, has suffered and will suffer a substantial reduction in revenues from the cuts to the local government fund, losses of the tangible personal property tax, the public utility tax, and the eventual elimination of the estate tax. These revenue losses will negatively impact this small city of approximately 6,500 people. It has lost employers and jobs, has a high rate of rental unit residence, and has a high percentage of senior citizens in its population. It is one of the few cities in the Columbus, Ohio, area with a full-time fire department and it has a service department.

The City has delayed capital improvements to its municipal building and put off road construction projects and service department expenditures. However, it produced no current plans for those expenditures.

I have carefully considered the City's Article 22 - Wage and Article 24 - Pension Pick-Up proposals and all of the negative factors cited by the City in its oral and written arguments and in its evidence. I have also examined comparables offered by the City in support of its wage proposal in its Mid-Ohio Regional Planning Commission's (MORPC) charts. Of the ten (10) cities for which the average police officer pay in 2011 is cited — five (5) have average annual salaries above the City's Police Officers and four (4) have

average salaries below those of the City's Police Officers (City Exhibit 29). Of the thirteen (13) municipalities cited by the City for examples of minimum and maximum pay, only two (2) have officer pay minimums under the City's Police Officers and ten (10) have higher minimums than do the City's Officers. Two (2) municipalities in that list have pay maximums for their officers under the City's, but ten (10) municipalities have higher maximum pay than do the City's Police Officers.

For Police Sergeant's pay in 2011, only two (2) of nine (9) cited cities rank below the City for minimum pay, and of the eleven (11) cited cities, two (2) rank below the City for maximum pay. Of the eleven (11) cited cities for average annual salary, two (2) pay less than the City and eight (8) pay more.

I have also considered the comparables offered by the Union for the greater Columbus area and its economic arguments in support of its wage and pension pick-up proposals.

Many of the arguments advanced by the Union in support of its wage and PPU proposals appear to have merit. The City's most current unencumbered general fund balance of \$2,509,542.60 was not unimpressive in this economy. The Grandview Yard project has the apparent potential for eventually producing revenue for the City without any financial risk to it. The City may well have significantly over-budgeted for daily expenses which may not materialize and may have budgeted for positions which have not and may never be filled. It apparently did not budget for estate tax, even though that tax will not be phased out until 2013 — of course, revenue from that tax is difficult to predict.

Interestingly enough, although we currently are faced with a volatile and unpredictable national economy which has recently experienced a downgrade in the

national credit ratings, worrisome unemployment statistics, a troubled real estate market, and declining industrial output — both Parties “maintain” they want to increase the wage rates of the bargaining units’ employees during the term of the new Contract. They, of course, differ greatly in how and when they wish to accomplish that goal and in the amount of the increase. The economy of the State of Ohio seems to be improving very slightly and the economic outlook for Franklin County and the greater Columbus area seems to be relatively better than that in other areas of Ohio — such as northwestern and northeastern Ohio. The economic outlook in the greater Columbus area is not great, but it is looking better.

After examining the Fact Finder’s analysis concerning the wage and PPU issues, I conclude that the Union’s proposals relative to these issues have greater merit. The Fact Finder concluded, after examining the evidence, that the City has the ability to pay the wage/PPU proposals of the Union. I agree and find the City’s ability to finance the Union’s modest estimated \$31,000 - \$32,000 wage increase over the three (3) year term of the new Contract is currently within the realm of probability. This is true even if the estimated roll-up costs push this figure to the \$80,000 range for the same period. The City’s original estimate of the total cost of the Union’s proposed wage increase appeared, after testimony of its own witnesses, to be mistakenly inflated. Moreover, the Union is not unreasonable in its fear that under SB 5, should it remain the law, the Employer’s Wage/PPU proposal which retains PPU payments by the City throughout the first two (2) years of the proposed Contract could have those PPU payments nullified. The Union’s proposal, which agrees with the Fact Finder’s recommendation on this matter, recommended that the entire 7.6% pension pick-up be rolled into the wages of the

employees of the bargaining units in the first year of the new Contract in a one-time adjustment to be reflected as a dollar-for-dollar equivalency. No additional across the board raise is requested by the Union in Year 1 of the new Contract. Moreover, the Union proposes, in accordance with the Fact Finder's recommendation, that Article 24 - Pension Pick-up be eliminated from the new Contract. I agree that the Union's wage/PPU proposal for Year 1 of the Contract is reasonable, affordable, and equitable.

The Union proposed that the two-tiered wage system of the current Contract be retained with no additional steps. I agree that the addition of steps is unwarranted.⁵

The Union's proposal that all of the bargaining units' employees received a pay raise of 3% in the years two (2) and three (3) of the new Contract does not appear unreasonable in view of the comparables listed in Union Exhibit D. The Union's proposal even calls for ½ % less in the third year of the Contract than the 3 ½ % increase recommended by the Fact Finder. The comparable municipalities relied on herein may not be all of the comparable municipalities that could be listed in Ohio, but they are in the greater Columbus area, for the most part, and reflect the economic realities of that area. I conclude that the Union's wage proposals for Years 2 and 3 of the new Contract are reasonable, affordable, equitable, and are justified.

Grandview Heights is a well-managed, conservatively financed municipality that is fortunate to be served by a Mayor, Director of Finance, and other public officials who appear to be dedicated to the success and survival of their city.⁶ The City has the

⁵ The City's written pre-hearing proposal concerning Section 22.5 - Shift Differential contains suggested language making the shift differential \$.95 per hour for all of the bargaining units' members working on the second or third shift. The Union's written proposal on wages did not address that Section specifically. I therefore presume that the Parties reached agreement on the language of that Section.

⁶ The evidence presented in this case clearly indicates that the City receives creative and exemplary service from its Mayor and its Director of Finance. They appear to earn every bit of their salaries.

advantage of being in close proximity to Columbus without having many of that city's problems. The high ratio of police to residents and the low crime rate of the City have contributed to its economic success and make it a much more desirable place to live, work, and shop.

The Police Officers of the bargaining units involved herein are instrumental in creating a positive atmosphere in the City. They make an invaluable contribution to the economic viability of the City, to the lives of the City's residents, to the employees who work there, and to the visitors who come there.

After considering all the evidence on the Wage/PPU issues in this case in light of the applicable mandated criteria, including the comparables, the oral and written arguments of the Parties, the record as a whole, the Fact Finder's Report (including her Findings of Fact), I conclude that the Union's Wage and PPU proposals with their effective dates are preferable to those urged by the City. I also note that the Union's proposals are, for the most part, more in line with those recommended by the Fact Finder. Accordingly, the proposals of the Union regarding the Wages and PPU issues are awarded.

AWARD

ARTICLE 22 – WAGES

Both Tiers (A and B) of the units shall receive a 0% increase across the board for 2011 effective the first full pay period following the Conciliation Award; a 3% wage increase for 2012 effective December 14, 2011; and a 3% wage increase for 2013 effective December 12, 2012. There shall be no change in the number of steps for the Tier B group.

ARTICLE 22 - WAGES shall appear in the new Contract as set forth in Appendix A and shall reflect, among other things, the rolling in of the 7.6%

PPU contribution of the City as a dollar-for-dollar equivalency to be placed across the board directly into the Wage Tables, the 3% raise effective December 14, 2011 and the 3% raise effective December 12, 2012.⁷

ARTICLE 24 - PENSION PICK-UP

Eliminate any mention of ARTICLE 24 - PENSION PICK-UP in its entirety in the new Contract. The Articles of the new Contract shall be consecutively numbered accordingly to reflect that omission. The 7.6% no longer part of Article 24 - Pension Pick-Up will be reflected as a dollar-for-dollar equivalency in wages paid effective the first full pay period following the Conciliation Award as set forth in Article 22 - Wages, Appendix A.

ISSUE NO. 3: INSURANCE – ARTICLE 35

Section 35.1 – Insurance,

Section 35.2 – Health and Dental Care Insurance Premiums,

Section 35.3 – Life Insurance

Union's Position

The Union urges the adoption of the Fact Finder's proposal for Article 35 "in toto."

The Union noted that the City's witnesses' testimony at the conciliation hearing indicated that the City incurred a 29.5% increase in insurance premiums effective July 2011 for one (1) year. The City did not shop for another carrier. The premium increases were caused by high claims for the previous year. Claim experience varies from year to year and the high claims for that period were historically unusual.

⁷ If there is any discrepancy between the numerical dollar amounts of the wages set forth in Appendix A and the figures for those wages which may be correctly calculated by using the mandated percentages to adjust those wages – the correct figures obtained by using the percentages to calculate the wage increases shall be utilized.

The Union argues in agreement with the Fact Finder for the language of Section 35.1 providing, among other things, that health insurance "...coverage and benefits shall be substantially similar to those [that] [were] in effect in December 2010." The Union notes that the adoption of the City's proposal to remove that language from Section 35.1 would empower the City to unilaterally determine those benefits. Moreover, the "substantially similar" language has long been the standard contract language for health insurance provisions of the Parties' former Contracts. The adoption of the City's proposal to eliminate the "substantially similar" language would allow it to increase premiums while not maintaining "substantially similar" coverage, thereby potentially eroding the level of benefits. The Union, in accordance with the Fact Finder's recommendation, accepts the Article 35, Section 35.1 provision retaining the "substantially similar" language as a quid pro quo for the premium increases the bargaining units' members will have to pay.

The Union agreed at the conciliation hearing to accept the Fact Finder's recommendation regarding Section 35.2 , including the increases in the bargaining units' employees' health insurance premium share, which would jump to 12.5% effective December 1, 2011 and would increase to 15% effective December 1, 2012 and thereafter, for the life of the new Contract. The Union notes that the Fact Finder awarded the wage increases she did to offset the increases in their health insurance premiums.

The Union urges the adoption of the Fact Finder's language in Section 35.3 - Life Insurance. It argues for the rejection of the City's proposal because it makes the City's furnishing of life insurance "...subject to the terms and conditions of eligibility." The Union notes that contingency language never appeared in Section 35.3 in past Contracts

and no problems were ever encountered. The Union agreed with the Fact Finder that adding that language now might result in confusion.

Employer's Position

The City has experienced significant premium increases associated with providing employees with the “Cadillac” health plan they currently enjoy. According to benefit consultants presented by the City at the conciliation proceeding, the City’s health insurance premiums have increased 45% in the last two years. In 2011 the health insurance premium increased by 29.5% on July 1, 2011. The City estimated that its share of premiums, annualized, will be about \$137,000.

The City maintains a high deductible health plan with a \$2,000 deductible single/\$4,000 deductible family plan from the insurance carrier in conjunction with a Health Savings Account (HSA). The City fully funds employees’ HSA accounts with a deposit of \$2,000 for single coverage employees and \$4,000 for family coverage employees each year for qualified medical expenses. The HSA account provides employees with nontaxed, nonwage payments which are theirs to use and accumulate from year to year if they are unused. If the money in the HSA account is never used by the employee for medical expenses, the money in that account still belongs to that employee and may be cashed out, similar to an IRA, with possible early withdrawal penalty and taxes on the income.

The City wants to eliminate the “substantially similar” language contained in Article 35, Section 35.1 to reflect parity for all its employees rather than to guarantee the bargaining units involved herein different coverage. Plan designs have changed and the “substantially similar” language which freezes coverage and benefits at levels in effect in

December 2010 would bind the hands of the City in shopping for competitive coverage which holds down total premium costs. The units' members' share of employee health premiums is nominal when contrasted to the overall health premium costs paid by the City. The premiums paid by the City exceed the amounts paid by other cities in the area and most of those do not provide funded HSA accounts comparable to those provided by the City. (City Exhibit 29). The City's payments for health insurance and HSA accounts exceed the average paid by comparable cities in the geographic area for law enforcement employees. The value to the bargaining units' employees of HSA contributions is also part of their compensation package.

The Union's insurance proposal is and would remain "... an expensive and inflexible means for providing benefits..." Its proposal and the Fact Finder's recommendation fail to recognize the volatility in the insurance industry and the potential for additional double-digit increases in costs to the City. Twelve (12) other jurisdictions serve as examples having contract language relating to health benefits which provides that coverage may be modified to lessen or maintain cost of the coverage. Moreover, the City's Union and nonunion personnel have been offered parity in coverage. Bargaining units' employees will have meaningful input in health plan design through the proposed health insurance committee, and modifications in plan design would be tempered by the fact that they would affect all City employees.

The City's health consultant witnesses pointed out that the City has taken many measures to ensure that its employees would be covered by the best health plan available with a good level of coverage at the lowest possible premium cost to the City and its employees. For example, it joined a consortium of public and private employers in order

to secure a certain level of coverage at the most advantageous premiums possible. Membership in the consortium provides a certain measure of insulation from significantly higher premiums for members having a low claim rate.

With respect to Section 35.3 - Life Insurance, the City believes that the provisions should indicate that the City, at its cost, will provide \$75,000 in group term life insurance coverage for each of the bargaining units' members and double that amount for any member killed in the line of duty. However, the City argues that for clarification, the Section's language should specify that its obligation to do so is "...subject to the terms and conditions of eligibility."

Discussion and Award

It would appear from the testimony presented at hearing, the exhibits and the record as a whole that the City has done well in providing the best health and dental insurance coverage possible at the most reasonable cost it could obtain. The City secured the assistance of expert medical insurance advisors and joined a consortium of other public and private employers to obtain that coverage and those rates in an attempt to offset insurance premium risk. It also provided the bargaining units' employees with a substantial City-funded HSA plan.

The Union has accepted the Fact Finder's recommendation concerning the language of Article 35, Sections 35.1, 35.2, and 35.3, which includes her recommended increased percentages of health and dental insurance premiums that the bargaining units' members would be required to pay in a new Contract and the effective dates of the implementation of those new premium rates (Section 35.2).

The Fact Finder concluded that placement of that “substantially similar” language in the proposed Contract was appropriate as there was no evidence introduced at hearing indicating that there was a lack of understanding or compliance with the “substantially similar” language that appeared in health insurance provisions of past contracts between the Parties. Moreover, she believed that the elimination of the Contract’s Section 35.1 language requiring that benefits be maintained to those in effect in December 2004 and the replacement with language requiring benefits be capped at December 2010 levels would serve as a quid pro quo for her recommended increase in premium costs to be assumed by members of the bargaining units. Furthermore, she concluded that retention of the “substantially similar” language would “... not unduly hamper the City’s need to be responsible and fiscally prudent in its health care benefits administration.”

The Union insisted at the conciliation hearing that it had agreed to plan benefit adjustments during the life of the last Contract when the Employer demonstrated the need for such changes to control premium costs. It indicated it had been and would be flexible in considering such Employer proposed changes during the term of the new Contract if that became necessary. The City’s Article 35, Section 35.1 proposed language also now provides that it offer the bargaining units’ members “... health and dental insurance program(s) with the same benefits and coverage that is provided to other employees of the City.” This, as was previously noted, is a change from the language in the past Contract which did not require the bargaining units’ members involved herein to have the same benefits and coverage as other City employees — although they may in fact have had the same benefits and coverage. Nevertheless, the Union and the Fact Finder believe

that the benefits and coverage should be frozen at substantially similar levels “... to those in effect in December 2010...” to prevent their potential erosion.

The City asserts that the Fact Finder failed to take into consideration that its family plan premium costs for health insurance are already significantly greater than the premium costs paid by eight (8) of the nine (9) cities in the area around Columbus, Ohio, where Grandview Heights is located. Moreover, the City claims it offers an HSA account with greater dollar benefits than three (3) of the four (4) cities in the group which offer HSA benefits.

City Exhibit 29 reveals that of the twenty-four (24) Ohio cities set forth therein, its total family health insurance premium costs for 2011 exceed that paid by twenty-one (21) of those cities. The City argues that its health insurance payments exceed the average that is paid by cities in the geographic area as well as for that paid by law enforcement employees.

Without conducting a total analysis of the health plans of the municipalities cited by the City, it is difficult to ascertain whether their health coverage is comparable to that of the City. Moreover, without that analysis the impact of the HSA account of the City’s Union-represented employees versus the impact of such accounts on the employees of other cities is difficult to gauge.

The City, and City Exhibit 31, cites health provision language from the contracts of eleven (11) cities in the Employer’s geographic area which it asserts supports its contention that the proposed health insurance in this case should not contain the restrictive language recommended by the Fact Finder and supported by the Union. Specifically, it argues that the language in those examples also supports parity between

Union and nonunion personnel in coverage and benefits and language permitting a city to unilaterally modify coverage to lessen costs. It insists that plan modification would be checked by the fact that under the City's proposal such modification would affect all city employees and because unit employees would have input into any change by virtue of the presence of their representatives on the health insurance committee.

I note that descriptions of the health provision language of contracts of thirty-two (32) cities or political entities are presented in City Exhibit 31. The actual contracts were not placed in evidence, although the language in those provisions was described by the City in its exhibit.

It appears the City's assertions concerning the parity of coverage for Union and nonunion employees as well as their unilateral control over determining coverage applies to nine (9) of the eleven (11) cities cited by the Employer in its post-hearing brief. I note that Bexley's contract, even by the City's description, while providing parity of coverage between Union and nonunion employees, contains reopener language for the following year. That provision at least makes the benefits/coverage issue negotiable in 2010 and 2011.

The Grove City language maintains the same level of coverage equivalent to the Consortium Plan then in force throughout the term of the Contract, even if an alternative health provider is selected. This language allows their bargaining units' members to at least predict what benefits will be during their Contract's term.

Of the thirty-two (32) municipalities around Ohio cited by the City in City Exhibit 31 serving as examples of cities having complete control to unilaterally select coverage and of such employees' coverage having parity with that of nonunion employees —

sixteen (16) cities and/or political entities do not appear to exactly support the Employer's contentions.

It may be concluded, after examining the City's evidence on the matter, that many cities may have language in their contracts allowing them to achieve parity in health and dental insurance coverage offered to union and nonunion employees as well as the right to unilaterally change that coverage. However, a significant number of municipalities which arguably also constitute comparable examples do not apparently have contractual provisions mandating health care coverage parity between union represented and nonunion employees. Nor do those sixteen (16) cities retain the right to unilaterally establish the parameters of coverage, co-pay or deductibles in their health care provisions.

I am not unmindful of the fact that Grandview Heights is a small municipality both geographically and in population and that it is facing challenging times in the current economic climate. After examining the Fact Finder's report on the health insurance issue, I am satisfied that she considered all of the relevant criteria that she was required to consider, including those matters which the Employer alleged she had not specifically taken into account. Her analysis of insurance costs demonstrated she was aware of, did recognize and considered the volatility of the insurance industry. The City also questions the Fact Finder's freezing health coverage and benefits at December 2010 levels. The Fact Finder noted that she recommended that date because the former Contract contained language guaranteeing such coverage and benefits as those which were in effect on December 31, 2004. She, in effect, correctly recognized the 2004 date was not in line with the realities of the most current benefits in effect. Her action in

freezing benefits at the December 2010 level was not in error, but was only meant to prevent erosion of those benefits.

The City asserts that the 2010 date does not take into consideration the fact that the current health plan in effect has superior coverage and benefits to those available in December 2010. Assuming that the City is correct in its assertions, in the absence of any objection from the Union, there is no reason that the City cannot continue making those benefits and coverage available to the bargaining units' employees herein, even if the language of Section 35.1 freezes coverage at December 2010 levels.

The Fact Finder's recommendation on an issue should be given great weight, unless it is clearly shown that she erred or that the Award was very unusual. This is especially true where a Party embraces that Award. After weighing the City's evidence and arguments on the health insurance issue, I believe that the Fact Finder in her report on Article 35, Section 35.1 recognized all pertinent issues concerning the insurance matters raised in this Section, sufficiently examined the facts, and made a reasonable recommendation with which the Union agrees.

There is good reason for the Union to be concerned about preserving its coverage as set forth in the Fact Finder's recommendation in Article 35, Section 35.1 when one considers the fact that, in this current economic downturn, the general political climate favors reducing those benefits. There is no reason to believe that the City, if faced with increasing costs and less revenue, would not seek to reduce coverage, etc., in order to scale back its premium costs. I favor the Fact Finder's recommended Section 35.1 language which the Union has also requested. This language at least gives the Union the opportunity to negotiate changes in coverage rather than have them unilaterally imposed

by the City. I suspect the Parties may in the future be engaged in serious regular discussions over the insurance coverage if costs continue to escalate unreasonably. The Employer is not without economic leverage to achieve its objectives should those premiums become intolerable.

Section 35.2 - Health And Dental Care Insurance Premiums

The Union agrees with the Fact Finder's recommendation regarding the share of the cost of the health and dental insurance premiums to be assumed by the bargaining units' employees. The Union thereby recognizes the need for the bargaining units' employees to absorb greater share of the financial burden of those ever-increasing premiums. The City asked for the bargaining units' employees to pay that greater share.

The City, however, argues for the adoption of different effective dates in different language of this provision than do the Union and the Fact Finder. I have examined the language recommended by the Fact Finder and her suggested effective dates. The Union supports the language she proposed regarding this Section in her report. On balance, I conclude that the Fact Finder's language in Section 35.2, which is supported by the Union, is sufficiently clear in its choice of the effective dates and reflects the Fact Finder's thinking regarding the maintenance of coverage and benefits at the December 2010 levels. I do believe there is sufficient reason to issue an Award in favor of the Union which reflects the its acceptance of the Fact Finder's recommended language concerning Section 35.2.

Section 35.3 - Life Insurance

The City agreed with the Union to provide \$75,000 group life insurance for each member and to pay \$150,000 coverage for members killed in the line of duty. It also agreed to pay 100% of the premium of such coverage. However, it wishes to add

language making that coverage “... subject to the terms and conditions of eligibility.” That additional language had never before appeared in any life insurance provision of the Parties’ Contracts. The Fact Finder felt that inserting this language would potentially cause disputes. I believe there has been insufficient evidence offered by the City to overturn the Fact Finder on this point, and I hereby issue the Award in favor of the Union’s proposal, which supports the Fact Finder on this issue.

In summary, after considering the mandated criteria to be applied by the Conciliator, the recommendation of the Fact Finder, the extensive oral arguments, the pre-hearing statements of position and the post-hearing briefs, the documentary evidence (including comparability data and the economic data) offered by the Parties, and the record as a whole, the Conciliator awards the Union’s proposals which adopt the Fact Finder’s recommendations concerning Article 35, Sections 35.1, 35.2, and 35.3.

AWARD

The Parties’ new contractual language regarding **ARTICLE 35 - INSURANCE**, **Sections 35.1, 35.2, and 35.3** should read as follows:

Section 35.1 – Insurance.

The City shall offer members the opportunity to elect group health care and dental care insurance program(s). The group health care insurance program shall include comprehensive hospitalization, surgical, major medical, prescription drug, dental care, vision and an employee assistance program. A joint City/FOP/IAFF insurance committee (“Insurance Committee”) consisting of one (1) representative from each Department or Division including one (1) representative selected by the Lodge, and one (1) from the IAFF shall meet with the Director of Finance to confer, review proposals and provide input for the group health care, vision and dental care programs

being considered by the City for the following calendar (or insurance contract) year, and shall make such recommendations to the City to select group health care (comprehensive hospitalization, surgical, major medical, prescription drug) vision and dental plans in a manner that achieves the objectives of providing coverage within the anticipated budgetary constraints. The coverage and benefits shall be substantially similar to those in effect in December 2010. The City shall provide eligible employees with plan enrollment forms and benefit information and shall assist employees and their covered dependents in obtaining coverage.

Section 35.2 – Health and Dental Insurance Premiums.

Effective December 1, 2010 the City will pay 87.5% of the monthly cost per member for single and family coverage for healthcare, dental and vision programs, and the member shall pay 12.5% of the cost per month for single or family coverage. Effective December 1, 2011 the City's percentage shall be decreased to 85% and the member's percentage shall be increased to 15%. Member's premium payments shall be made by payroll deductions. The City will maintain a Section 125 plan that conforms with current IRS regulations, and members shall be eligible for participation in the Section 125 plan.

Section 35.3 – Life Insurance.

The City shall provide \$75,000 group term life insurance coverage for each member. The City shall pay 100% of the premium for this coverage. The total amount of coverage shall be doubled for a member killed in the line of duty.

ISSUE NO. 4: VACATION – ARTICLE 30

Section 30.2 – Personal Leave,

Section 30.3 – Scheduling and Approval

Employer's Position:

The expired Contract's language regarding Sections 30.2, 30.3 should be retained. All City employees are currently treated the same with respect to the matters covered by those Sections. Police Officers should not receive two (2) more hours of personal leave than other City employees. Other City employees working 10-hour shifts also have to use compensatory or vacation leave to receive a full 10-hour day off.

The Union presented no comparable municipalities' contracts to support its position that their suggested changes in Article 30 should be implemented. Nor did the Union establish a compelling need for their proposal or demonstrate any difficulty which occurred to the bargaining units' members in scheduling personal days off.

Union's Position:

Section 30.2 – Personal Leave

The City's Police Officers, except for one individual, work four (4) 10-hour days a week. They no longer work 8-hour days five (5) days a week. The expired Contract's language of Section 30.2 grants members eight (8) hours of personal leave a year. The original purpose when employees worked a standard 8-hour day/5 day week was to allow them to take one (1) personal day off per year. Under the expired Contract, in order to take one (1) personal day off per year, Police Officers working 10-hour shifts had to use two (2) hours of casual (vacation) leave to enjoy that one (1) full day off. When the two (2) additional hours of casual leave are not permitted to be taken, an Officer working a 10-hour day loses his ability to schedule one (1) full personal day per year. The Union proposed, and the Fact Finder agreed, that the language in Section 30.2 referencing eight (8) hours of personal leave be deleted and that language be substituted allowing for the

taking of one (1) personal leave “day” per year instead. The Union’s proposal is reasonable, comports with the plain and original purposes of Section 30.2, and is justified by the current work schedule.

Section 30.3 – Scheduling and Approval

The Union proposes that the language of the first sentence in Section 30.3 be retained. However, it recommends for clarification the deletion of any reference in the second sentence of Section 30.3 to the ability of members to use “personal” leave in one-hour increments. It argues that by doing so the personal leave day proposed by the Union would be taken as a full-day once a year regardless of whether a member’s regular shift is eight (8) or ten (10) hours. The Union maintains that the Fact Finder’s failure to adopt its proposal regarding this matter constitutes an oversight as that proposal was a corollary to the Union’s proposal in Section 30.2, which was adopted by the Fact Finder.

Discussion and Award

The only Sections of Article 30 in which agreement was not reached between the Parties were Section 30.2 - Personal Leave and Section 30.3 - Scheduling Approval. The Fact Finder agreed with the Union proposal concerning Section 30.2 and recommended the Union’s language to change that Section. However, the Fact Finder recommended keeping Section 30.3 unchanged.

The City’s argument that if Police Officers secure one (1) 10-hour day of personal leave they will have two (2) more hours than other City employees does not sway me. I am in agreement with the Fact Finder and the Union regarding the new language proposed for Section 30.2. It is equitable and reasonable to allow the bargaining units’ members who normally work four (4) 10-hour days a week to take off one (1) personal

10-hour day per calendar year. They should not be required to take a combination of eight (8) hours of personal leave together with two (2) hours of vacation or compensatory leave to take that day. I am not convinced that the Fact Finder's recommendation concerning Section 30.2 is wrong because there may be other nonunion City employees working four (4) 10-hour days still being required by the City to utilize vacation and/or compensatory time to secure a personal day off. Presumably, other employees who worked an 8-hour day/5-day week could take one (1) full 8-hour day of personal leave without having to utilize additional compensatory or vacation leave to do so. The cost to the City of this change – if anything – is minimal at best.

The Fact Finder chose to leave Section 30.3 - Scheduling and Approval unchanged from the language of the expired Contract. She reasoned that the original language should remain until a new Chief of Police was hired by the City. She noted that "...although the Union's proposal is a no-cost item that is rational and orderly... it [is] untimely in the sense it is premature." She further observes that "... to take away the current language allowing the Chief discretion is not balanced by a demonstrated necessity." The Fact Finder also concluded that there was no evidence that any of the bargaining units' employees were being denied vacation requests and "... the public employer's lawful authority outweighs the current necessity of amending the language."

Perhaps the Fact Finder misunderstood the Union's proposal regarding Section 30.3. In any case, the Union now proposes that the first sentence of Section 30.3 remain as it existed in the expired Contract. Consequently, by retaining that first sentence language, which still requires that the Chief schedule and authorize all vacation and personal leave, the Fact Finder's concern with retaining the City's authority to schedule

and approve such leave is unwarranted. A new Chief has been appointed and the Union's proposal is not now premature. The Union's suggestion that any reference to the taking of "personal leave" be deleted from the second sentence of Section 30.3, thereby allowing the bargaining units' employees to take a full day of personal leave once a year regardless of whether that employee shift was for eight (8) hours or for ten (10) hours reflects the Fact Finder's recommendation in Section 30.2 that the bargaining units' employees should receive "... one personal leave day each calendar year..."

I conclude that the Union's positions regarding the proposed Contract language for ARTICLE 30 - VACATION, Sections 30.2 - Personal Leave and 30.3 - Scheduling and Approval have greater justification than the City's positions on that language. Accordingly, the Union's proposals on these matters are awarded.

AWARD

The language of the new Contract's ARTICLE 30 - VACATION, Sections 30.2 and 30.3 shall read as follows:

Section 30.2 - Personal Leave

Each member shall receive one personal leave day each calendar year. Personal leave hours must be used in the calendar year in which they accrue. No personal leave hours shall carry over from year to year.

Section 30.3 - Scheduling and Approval

All vacation and personal leave must be scheduled through and authorized by the Chief (or designee). Members may take their vacation leave in increments of one (1) hour.

ISSUE NO. 5: INJURY LEAVE – ARTICLE 33

Employer's Position:

The expired Contract provides for twenty-six (26) weeks of paid leave to any member of the bargaining units who is injured on the job, conditioned on medical certification. It proposes to pay up to thirteen (13) weeks from payroll to an injured employee. It would then require the employee, whose condition is medically certified to need more leave, to obtain the additional benefits from the Bureau of Worker's Compensation. The City would pay the employee the difference between that benefit and the pay lost by the injured employee. The employee would still receive up to twenty-six (26) weeks of paid leave subject to medical certification. The employee would not be financially impacted, but cost to the City for the wage continuation would be less than the total cost to it for the paid injury leave and would assist the City in payroll costs. The cost to the City for an additional thirteen (13) weeks not only involves wage continuation, but also the other types of additional leave accumulated by employees while they are on paid injury leave.

The City asserts that its worker's compensation rate at 4% of payroll for 2012 is high. It argues that the current injury leave provisions "... encourage use and with a limited work force results in additional costs to the city including the allocation of additional overtime needed to cover employees on paid leave." The City's proposal would not adversely affect employees and "... would assist the city in payroll costs for the employees."

Union's Position:

The Union argues that the provision regarding injury leave be retained. It notes that the Fact Finder agreed with that position. Article 33 sets out in detail what is required of an employee who sustains an on-the-job injury and wishes to avail himself/herself of injury leave. As a condition of receiving injury leave, that employee must execute an agreement whereby he/she agrees to reimburse the Employer for any wage benefit received from the Bureau of Worker's Compensation. Consequently, if a bargaining units' member received injury leave and is ultimately awarded worker's compensation for the same thing, the City has a right to reimbursement from the employee. The language of Article 33 already guarantees that the City is not paying for the injury twice, inasmuch as the bargaining units' members cannot obtain worker's compensation and paid injury leave from the City at the same time. The Union's proposal to retain the expired Contract's language of Article 33 guarantees that such members get injury leave in lieu of worker's compensation at their full rate as if they were still working. The City's proposal places an undue burden upon the injured bargaining units' employees which might require that employee to obtain a lawyer as his/her representative in a worker's compensation claim.

Under the City's proposal, if injured bargaining units' employees are unable to secure lost time benefits from the Bureau of Worker's Compensation by the thirteenth (13th) week or beyond, they are on their own. They have no control over how fast the Bureau will process their claims. The City's argument that its proposal might result in a reduction in worker's compensation rates is unsubstantiated.

Discussion and Award

The Fact Finder and the Union both appear concerned for the potential disadvantages to an injured employee in dealing with the Bureau of Worker's Compensation which, as the Fact Finder observes, "... operates under its own rules, not those of the parties." She also notes after considering the comparables that twenty-six (26) weeks of injury leave is not an unusually generous amount of time.

The City did not argue until its post-hearing briefs that it incurred under Article 33 of the expired Contract it incurred the additional obligation to pay an injured employee on injury leave, twenty-six (26) weeks of accumulated vacation and sick time. Nevertheless, it had presumably incurred those obligations in the past and still thought it was saving money with that injury leave provision — and perhaps it was.⁸

I believe the Fact Finder's concern with the welfare of the bargaining units' employees in dealing with claims processing at the Bureau of Worker's Compensation is justified. Her rationale for selecting the Union's position on this issue is also justified. The City, under language of the expired Contract's Article 33 provision, is still entitled to reimbursement for any double payment that injured bargaining units' employees might receive for on-the-job injuries. The need to protect the compensation of Police Officers and Sergeants injured in the line of duty outweighs the insufficiently substantiated potential economic considerations raised by the City. Accordingly, I, in agreement with the Fact Finder, award the Union's proposal on this issue.

⁸ The City's written last offer on Article 33 makes its most substantive changes to Section 33.1 – Injury Leave and Section 33.5 – Extension of Injury Leave. It also proposed a small change to Section 33.2 – Use, C, where it wishes to substitute "...the Bureau of Worker's Compensation (and/or the Industrial Commission)..." and "...Bureau or Commission..." in place of only the term "Bureau of Worker's Compensation". I conclude that these changes are unnecessary as the City presented no evidence to demonstrate that the contractual references to the BWC alone have hampered its ability to consider, to defend against, or to appeal rulings on claims or that any member was unduly enriched thereby.

AWARD

The proposal of the Union is awarded. The expired Contract's language of **ARTICLE 33 – INJURY LEAVE** shall remain unchanged in the new Contract.

CONCLUSION

In conclusion, this Conciliator hereby submits the above referred to AWARDS on each of the outstanding issues presented for his consideration.⁹

August 19, 2011
Date

Melvin E. Feinberg
Melvin E. Feinberg, Conciliator

⁹ The Conciliator also incorporates by reference into the new Contract all other tentative agreements reached by the Parties on all Articles of the new Contract.

APPENDIX A

ARTICLE 22 WAGES

Section 22.1 Rates of Pay

A. Rates of Pay for Police Officers Hired Prior to 1-1-09 and for Sergeants

Effective first full pay period following Conciliation Award	7.6%	<u>Annual</u>	<u>Bi-Weekly</u>	<u>Hourly</u>
Starting Police Officer		\$46,025.07	\$1,770.20	\$22.1274
After one year		\$51,680.06	\$1,987.69	\$24.8462
After two years		\$59,482.67	\$2,287.79	\$28.5974
After three years		\$69,182.09	\$2,660.85	\$33.2606
Sergeant		\$79,419.05	\$3,054.58	\$38.1822
Effective 12/14/2011	3.0%			
Starting Police Officer		\$47,405.82	\$1,823.30	\$22.7913
After one year		\$53,230.46	\$2,047.33	\$25.5916
After two years		\$61,267.15	\$2,356.43	\$29.4554
After three years		\$71,257.55	\$2,740.68	\$34.2584
Sergeant		\$81,801.62	\$3,146.22	\$39.3277
Effective 12/12/2012	3.0%			
Starting Police Officer		\$48,827.99	\$1,877.99	\$23.4750
After one year		\$54,827.37	\$2,108.75	\$26.3593
After two years		\$63,105.16	\$2,427.12	\$30.3390
After three years		\$73,395.28	\$2,822.90	\$35.2862
Sergeant		\$84,255.67	\$3,240.60	\$40.5075

B. Rates of Pay for Police Officers Hired After 1-1-09

Effective first full pay period following Conciliation Award	7.6%			
Starting Police Officer		\$46,024.82	\$1,770.19	\$22.1273
After one year		\$50,584.91	\$1,945.57	\$24.3197
After two years		\$56,149.98	\$2,159.61	\$26.9952
After three years		\$62,326.22	\$2,397.16	\$29.9645
After four years		\$69,182.50	\$2,660.87	\$33.2608
Sergeant		\$79,418.48	\$3,054.56	\$38.1820
Effective 12/14/2011	3.0%			
Starting Police Officer		\$47,405.56	\$1,823.29	\$22.7911
After one year		\$52,102.46	\$2,003.94	\$25.0493
After two years		\$57,834.48	\$2,224.40	\$27.8050
After three years		\$64,196.01	\$2,469.08	\$30.8635
After four years		\$71,257.98	\$2,740.69	\$34.2586
Sergeant		\$81,801.03	\$3,146.19	\$39.3274
Effective 12/12/2012	3.0%			
Starting Police Officer		\$48,827.73	\$1,877.99	\$23.4749
After one year		\$53,665.53	\$2,064.06	\$25.8007
After two years		\$59,569.51	\$2,291.14	\$28.6392
After three years		\$66,121.89	\$2,543.15	\$31.7894
After four years		\$73,395.72	\$2,822.91	\$35.2864
Sergeant		\$84,255.06	\$3,240.58	\$40.5072

CERTIFICATE OF SERVICE

I hereby certify that one copy of my Conciliation Award in SERB Case Nos. 10-MED-10-1376 and 10-MED-10-1377 is being sent by e-mail to SERB and to each of the following Parties on the date set forth below:

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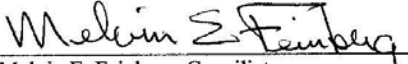
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August 19, 2011
Date


Melvin E. Feinberg, Conciliator