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STATE EMPLOYMENT RELATIONS BOARD

CONCILIATOR'S AWARD

IN THE MATTER OF:

CITY OF SPRINGFIELD

AND

SPRINGFIELD POLICE PATROLMEN'S ASSOCIATION

Case Number: 11-MED-09-1121

Before Conciliator: Thomas J. Nowel

PRESENTED TO:

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Thomas J. Nowel was appointed to serve as Conciliator in the above referenced case by the State Employment Relations Board on January 17, 2012 in accordance with Ohio Revised Code Section 4117.14 (D) (1).

Hearing was conducted over two days, March 1, 2012 and April 10, 2012. Hearing was held at Springfield City Hall. The term of the current Agreement between the parties is January 1, 2011 through December 31, 2013. Article 41 of the Agreement provides for a re-opener during September, 2011 for wages and health care benefits for 2012. The parties have agreed to conduct re-opener negotiations pursuant to Chapter 4117 of the Ohio Revised Code. Additionally, Article 41 provides for a re-opener during September, 2012 for wages and health care benefits for 2013, again pursuant to ORC 4117.

Pursuant to provisions of Article 41, the Union served notice upon the City that it intended to re-open negotiations in September, 2011. At negotiations, the Union submitted proposals on wages and health care benefits for 2012 and 2013. One bargaining session was conducted between the parties on November 22, 2011 during which impasse occurred. The parties proceeded to Fact Finding on December 15, 2011. The Fact Finder attempted mediation at the onset of the hearing and then proceeded to conduct an evidentiary hearing. The Fact Finder issued the Report and Recommendation on December 28, 2011. The Report and Recommendation failed to resolve the impasse as it was rejected by the Union. The parties attempted to resolve the impasse in January, 2012 and then proceeded to conciliation.

The bargaining unit, which is represented by the Springfield Police Patrolmen's Association, is comprised of approximately one hundred full time police officers. Command officers are represented by a different organization. Overall, there are approximately 575 full time employees of the city which has 61,000 residents. The City of Springfield is the county seat of Clark County.

Those participating at hearing for the Union include the following:

Paul Kavanagh, Attorney for the Union
Andy Scott, Union President
Matt Parr, Patrolman
Jerry Bowen, Patrolman
John McCoy, Patrolman
Andrew Rigsbee, President, Fire Fighters Union

Those participating at hearing for the City include the following:

Jerome Strozdas, Law Director

Jim Bodenmiller, City Manager
Jeff Rodgers, Personnel Director
Stephen P. Moody, Chief of Police
Michael Varner, Police Captain
Jim Hutchins, Police Captain
Michael Hill, Police Captain

BACKGROUND

In analyzing the positions of the parties regarding each issue at impasse and then selecting one of the final offers, the Conciliator is guided by the principles which are outlined in ORC Section 4117.14 (G) (7) (a-f).

1. The past collectively bargained agreement between the parties.
2. Comparison of the issues submitted to fact finding 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 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. Other factors, not confined to those listed above, 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.

In addition, the Fact Finder's Report and Recommendation in this case is given consideration in respect to the issues submitted at Conciliation.

During the course of the hearing, witnesses were sworn; the parties had full opportunity to advocate for their positions and submit exhibits; the parties examined and cross-examined witnesses; and engaged in rebuttal of the submissions and arguments of the other party.

POSITION OF THE UNION

The Union agreed to a wage freeze in the first year of the Agreement, 2011. Following its notice to reopen negotiations in September, 2011, the parties engaged in one bargaining session during which the Union submitted a two year wage proposal and increased health care contributions as a way to offset a portion of the cost of the proposed increases. The City proposed a wage freeze for 2012; no change in the health insurance premium split; deferral of wage and health care insurance issues to the second re-opener for 2013; and no wage increase or change in health care premiums in 2013 in the event the parties decided to resolve both re-openers during the immediate negotiations. Following mediation at Fact Finding, the Union modified its proposals to a two percent (2%) wage increase for 2012 and a two and one-half percent (2.5%) wage increase for 2013 with the 90/10 split in health insurance premiums remaining unchanged in 2012 and 2013.

At Conciliation, the last best offer of the Union is a wage freeze, no increase, in 2012 and a two percent (2%) wage increase for 2013, the third year of the collective bargaining agreement. The Union's final offer regarding health care is the 90/10 premium split as proposed by the City for both years.

The Union argues that the Conciliator should grant the proposal of the Union for 2013 as it is counterproductive for the parties to bargain again during the term of the current Agreement. To bargain again for 2013 would be the fourth consecutive year of negotiations between the Union and City. Continued negotiations over re-openers are detrimental to a positive labor management relationship, and the cost of another fact finding and conciliation is excessive.

The Union has been sensitive to the economic climate and status of City finances. It has agreed to wage freezes in 2010 and 2011, and now, based on its proposal at Conciliation, the Union again is agreeing to a wage freeze in 2012. Longevity was reduced in 2007 for new employees.

Former Union President, John McCoy, testified that the work of Springfield's Patrolmen has become more difficult over the past few years based on an increase in assault cases, resisting arrest issues, shootings and other safety factors. There is no other position at the City that creates a high level of stress such as that experienced by the Police Department. The lack

of a wage increase has eroded the morale of the police force and has allowed for unhappy and disgruntled employees (Un. Exb. 2).

In 2010 the City spent \$528,081 less than what was budgeted for wages (Un. Exb. 3), and the same scenario was repeated in 2011 in that the City spent \$533,451 less on police wages than what was allocated at the beginning of the budget year (Un. Exb. 5). The City has spent 8.5% less on Patrolmen's wages from 2009 to 2011 (Un. Exb. 7). The Union argues that the City has the resources to meet its proposal to increase wages by 2% in 2013. In comparison, the cost of the proposed increase is between \$130,000.00 and \$140,000.00.

The Union states that the economy in the Springfield area is improving significantly which allows for positive increase in city finances. The Chamber of Commerce reports on a number of initiatives which have increased employment in the City. From January through June, 2011, the Chamber reports that significant jobs growth has occurred in and around Springfield (Un. Exb. 10), and, while the City downplays real job creation numbers, it is a fact that city income tax numbers are improving. The Chamber reports a gain of between 905 and 1042 jobs during the first half of 2011 (Un. Exb. 12). The report indicates additional job gains of between 553 and 905 during the second half of 2011 (Un. Exb. 13). It was also reported that an additional project at a former Navistar site could produce up to 1000 new jobs in the future (Un. Exb. 15). In August, 2011, the City was named one of the top five communities of its size in the United States for economic development (Un. Exb. 16). As the economy picks up in Springfield, Navistar is also increasing its work force by adding forty new jobs at its Springfield site (Un. Exb. 19). The Union argues that, after a period of job loss and economic decline in Springfield, the economy is rebounding. Additionally, data from the Bureau of Labor Statistics indicate that the unemployment rate in Springfield decreased at the end of 2011 to 8.1%. This is the lowest rate since before 2009 (Un. Exb. 35). Therefore the modest wage proposal of the Union is affordable and should be granted.

The Union states that any argument proffered by the City regarding other bargaining units agreeing to wage freezes in 2013 becomes irrelevant due to a number of factors. Andrew Rigsbee, President of the Fire Fighters Union in Springfield, testified that his bargaining unit agreed to wage freezes in 2012, 2013 and 2014 based on coming to an expedited new agreement with the City. The Union wanted a speedy resolution to its negotiations due to uncertainty created by Senate Bill 5 and the potential increase in the employee share of health care premiums due to this legislation. It was not certain at the time that Senate Bill 5 would be repealed, and Fire Fighter Union members ratified an Agreement with no wage increases in order to preserve its collective bargaining rights and health care benefits for the following three years. When the Fire Fighters Union agreed to the City's demands, it did not agree that the City

was unable to afford increases in the wages of its employees. President Rigsbee stated, and the Union argues, that there is no justification in the instant case for the City's proposal of a wage freeze.

The Union states that its members have lost buying power from 2009 to the end of 2012 based on the increase in the cost of living (Consumer Price Index) and wage freezes during this period (Un. Exb. 21).

Regional comparable wages support the Union's wage proposal for 2013. The Union compared the top wage for a Springfield Patrol Officer with thirty-one regional cities. These comparables represent the regional labor market for law enforcement within west central Ohio. The comparable cities are located in Clark, Champaign, Greene, Miami, Montgomery, Madison and Franklin Counties with a population base of at least 10,000 (Un. Exb. 23). The City of Springfield's police officers rank last, lowest paid, in a comparison of the thirty-one regional jurisdictions. Springfield's officers are paid \$11,093.10 less than the average of the thirty-one jurisdictions. It would take a 20.3% wage increase to move the bargaining unit to the average.

The Union argues that the jurisdictions utilized by the City in this case are not an accurate reflection of the reality in west central Ohio. The City makes comparisons to city jurisdictions in northeast Ohio and other locations that have little to do with the Springfield area. The city income tax in Springfield is 2% while it is less for many of the jurisdictions utilized by the City in its comparables. Many of the City's comparables have significantly smaller populations than Springfield (Un. Exb. 25). The City compares Springfield to the City of Hamilton which, the Union states, is similar in many respects. In this comparison, Hamilton pays its police officers significantly more than Springfield, and its longevity program far exceeds this bargaining unit (Un. Exb. 27).

The Union argues that generally across Ohio, a city police officer's pay exceeds that of a county deputy sheriff. But Springfield police officer wages exceed Clark County's deputies by only \$270.00 this year, 2012, and, if the City's wage freeze proposal is granted for 2013, deputies in Clark County will be paid \$820.00 more annually than their counterparts at the City (Un. Exb. 26). The City should not allow for this inequity.

The Union states that, during negotiations for the current Agreement, the City indicated that it was facing a possible deficit based on its projected 2011 budget. Based on this assumption, the Union agreed to freeze wages for its bargaining unit in 2011. But at the end of the 2011 budget cycle, the City ended the year with a carryover of \$801,934 (Un. Exb. 33). Then in 2011, as the parties were preparing to negotiate the re-openers for 2012 and 2013, the City stated that it anticipated that expenses would exceed revenues by \$900,000. At the end of

the 2011 budget cycle, revenues exceeded expenses by \$1,191,114. The fund balance at the end of 2011 stands at 12.15% of the overall budget (Un. Exb. 34). The Fact Finder, in the instant case, did not have the final numbers when the Report and Recommendation was written at the end of December, 2011. The Union states that Moody's recommends that a city's fund balance or carryover stand at 5% of the budget. The Union argues further that the City used \$175,000 of its fund balance to provide funding for the golf course at the joint city-county park system. At the same time, the Union states, the City is unwilling to fund a modest wage increase for its patrol officers.

The Union states that the City argues that many city jurisdictions laid off police officers and placed employees on furloughs while the City of Springfield did not reduce the work force and did not require furloughs. The Union argues that this is true in some cases, but wages in many of the affected jurisdictions exceed those of Springfield, and, in any event, the Conciliator should only compare actual base wage and not extraneous factors.

The Union states that its wage proposal for 2013 is reasonable, is affordable, is supported by regional comparables and should be granted by the Conciliator.

POSITION OF THE CITY

The City proposed a wage freeze for 2012, and this is consistent with its position in Fact Finding. The Union modified its wage proposal and agreed to maintain the 2011 wage rates in 2012. Therefore, at Conciliation, the final offers of the parties are the same regarding wages for 2012. The City's proposal regarding health care costs in 2012 is status quo, that employees continue to pay 10% of the premium costs. In addition, the parties agreed, at fact finding, to change the date of October 1, 2010 to October 1, 2011 in Paragraph B. The City proposed to delete the 8% HSA option, as only one employee participated in this option. The Union expressed no concern. At Conciliation, the final offers of the parties regarding health care are the same for 2012.

The City's position regarding wages and benefits for 2013 is that these issues should be addressed and resolved based on a separate re-opener to take place beginning in September, 2012. The City proposes that the Conciliation award make no provisions for wages or health care for 2013 allowing for the re-opener, as it is outlined in Article 41, to resolve these issues. The City argues that Article 41 establishes two re-openers, one for 2012 and one for 2013. Unless the 2011 re-opener resolves wages and health care for 2013, this re-opener stands on its own.

The City states further that, if the Conciliator decides to establish wage rates for 2013 and determines the level of health care premium share, a wage freeze should continue in effect for 2013 utilizing the 2011 wage table, and the health care premium should remain at the 90/10 split consistent with the plan as proposed by the City for 2012.

The City states that its final offers at Conciliation are consistent with the recommendation of the Fact Finder. It is important that the Conciliator give consideration to this fact. When the current collective bargaining agreement was negotiated between the parties, the City was operating "under a financial cloud." The City of Springfield relies more heavily on its income tax than do many other jurisdictions. The City has experienced a significant loss of private sector jobs which has a direct and negative impact on income tax revenues. Income tax revenue was less in 2010 than it was in 2004.

There has been modest growth in income tax revenues in 2011, but this has been offset by significant reductions in state support for cities including the local government fund. The estate tax will be eliminated in 2013. General Fund expenses are projected to exceed revenue by \$1,100,000 in 2012. The 2012 budget includes no wage increases for any bargaining unit at the city including all unrepresented city employees.

The General Fund end of year balances have been achieved through spending cuts. Positions, which became vacant, were not filled by the City in a number of departments. Nevertheless, there have been no layoffs and no furloughs as experienced by many public sector jurisdictions.

The City states that it is important to note that non union employees are in their fourth year of a wage freeze. The Fire Fighters Union agreed to a three year wage freeze through October, 2014. Three FOP bargaining units at the City recently agreed to forego wage and health care re-openers and agreed to no change in wage rates and health care insurance for 2012, 2013 and 2014.

The City argues that the projections regarding job growth by the Chamber of Commerce, as submitted by the Union, have minimal impact on the 2012 budget and a future 2013 budget. Union witnesses were unable to verify the accuracy of the job growth projected by the Chamber. Much of the projected job expansion is in the future based on certain variables being achieved. Navistar is not in the city limits although a certain percentage of employees contribute to the income tax based on being city residents. The growth picture, which is painted by the Chamber and which is relied upon by the Union, is speculative in nature and not true numbers which immediately generate revenue. The City noted that Mercy St. John's, which is located in Springfield, is closing this year with 125 jobs lost (City Exb. G).

The City income tax is split between the General Fund and capital expenditures, a 90%/10% split. Voters established this breakdown in 2004 when the City Charter was modified. The income tax is the major source of revenue upon which the City operates. The loss of employment over the past ten years has reduced revenue generated by the income tax, and there has been a significant loss of population, down by 20,000 residents since the 1970s. 69% of the City's revenue in the General Fund is generated by the income tax, and 57.9% of the General Fund is dedicated to public safety (City Exb. B). Total employment at the City has decreased from 700 to 575 over the past five to seven years. The recession and job loss in the private sector have taken a toll on City finances.

The 90/10 income tax split has seriously hampered the City's ability to replace equipment, fleet, snowplows and to make maintenance repairs. The City has had no funds for road improvements in neighborhoods during the last two years (City Exb. E). The only road improvements which have occurred are those on main thoroughfares which have been funded with state or federal dollars.

The City had established funds for Worker's Compensation expenditures and health care in an attempt to self insure. Both funds have been depleted. The "unfunded liabilities" fund has also been spent down.

Although the Union argues that income tax receipts had increased in 2011, this was due, in part, to a \$500,000 one-time payment from a business which had been delinquent in paying taxes for a number of years (City Exb. D). This bump in revenue will not be repeated in 2012 or 2013. The City used this money to pay off higher interest debt. The Union also argues that the City underestimated its total expenditures in 2011, but this was due, in large part, to vacant positions which were not filled including resignations and unanticipated retirements due to Senate Bill 5 and anticipated pension reform. Eight vacancies occurred in the Fire Department which will now be filled with the hiring of a new fire class.

The estimated fund balance based on the approved 2012 budget is \$2,875,518 (City Exb. D). This represents 7.46% of the overall General Fund budget. The City's goal is to maintain a 10% balance as a safety net and prudent approach to its finances.

The City states that its health care brokers estimate a 12% increase in the cost of health care in 2012. The plan will be renewed on July 1, 2012. The City must budget for this contingency, and some experts have indicated that the increase could be at a greater amount.

The City states that the 2012 budget is coping with the loss of 25% of the local government fund from the 2011 allocation from the state, and the Commercial Activities Tax has been eliminated. At the same time the City has budgeted \$1.1 million more in expenditures

in 2012 compared to last year. In addition, the City has been forced to subsidize the police levy fund, which supports the wages and benefits of 31 police officers, with General Fund monies. The City spent \$600,000 in this line item in 2011 and has budgeted \$870,000 in the 2012 budget. The police levy has been negatively impacted by foreclosures and lower property values over the past few years, and General Fund dollars are now required to maintain services.

The City expresses concern regarding its 2013 budget. City Manager Bodenmiller testified to a recent conversation with the Ohio Governor in which it was stated that there may be additional reductions in the local government fund. The state is interested in creating a central collection agency for all city income taxes. This would result in a loss of local funds due to state administrative cost. Manager Bodenmiller stated, "The state is not friendly to local governments." Stimulus dollars, which paid for a number of police positions, will end in 2013. Grant opportunities are disappearing, and ½% of the city income tax will be on the ballot for renewal in 2015. The City argues that this is not the time to award an across the board pay increase for 2013. The City continues to pay longevity and merit step increases.

The City's list of external comparables are jurisdictions which are county seats with populations either plus or minus 25,000 of the population of Springfield. The City measures per capita income, median household income, poverty rate, median housing and other variables in order to make an accurate comparison to Springfield (City Exb. K). The City has consistently utilized these eight city jurisdictions during collective bargaining, and fact finders have never criticized this list of comparables. The average wage for a patrol officer based on 2012 comparable city data at the top level of pay is \$51,936 (City Exb. R). The top pay for a Springfield patrol officer is \$54,766. Springfield compares well in this sample of comparable cities, and this list of jurisdictions, based on demographics and economies, is a more accurate reflection of the status of Springfield's standing than the lengthy regional list presented by the Union which ignores factors such as poverty level, per capita income and other critical factors. In addition, police officers have been laid off in some of the cities cited in the list of Union comparables and some have suffered furloughs. There have been no layoffs or furloughs in the Springfield Police Department.

The City asks the Conciliator to direct the parties to utilize the 2012 re-opener for 2013 wages and health care insurance. In the event the Conciliator decides to establish wage rates and health care premium costs for 2013, the City asks that 2011 wage rates remain in effect, and the 90/10 premium split be maintained.

DISCUSSION AND AWARD

The Union makes a strong argument that continued annual negotiations between the parties are counterproductive to a stable and positive labor management relationship. Bargaining four years in a row has the potential to strain any relationship. But this factor alone does not necessarily justify a pay increase if other elements of the process suggest otherwise. The parties specifically bargained two wage and health care reopeners during the 2010 negotiations as part of Article 41.

The Union makes an additional substantive argument that, during the past few years, the work of the Police Department has been more difficult and dangerous due to an increase in violent crime in the City of Springfield. So it is understandable that the lack of a wage increase since 2009 has caused erosion in morale among patrol officers as illustrated by the Union's recent survey of its membership. It is important that management take note and work with the Union to maintain partnership.

The Union makes strong arguments that city finances have improved regarding increased income tax revenues and reduced expenses in the General Fund especially in the area of Police Department wages and benefits. The City counters that growth in income tax revenues is not sufficient to justify the Union's proposal for a wage increase in 2013 especially in light of reduced revenues from state of Ohio funding sources, increased cost of health insurance in 2012 and uncertainty in the local and regional economic climate. There is merit to this argument. While the year end fund balance improved at the end of 2011, it is not certain that this trend will continue at the end of 2012 and moving into 2013. The cost of health insurance is projected to increase by at least 12% in 2012.

The Union utilizes Chamber of Commerce statistics and projections to suggest that significant growth in employment in and around the City of Springfield will enhance the growth of income tax revenues. It is apparent that efforts by the City and business community to attract new businesses will improve the employment climate in the area. Nevertheless, much of the employment growth suggested by the Union is more projection and not reality at the current time. These job growth projections will have minimal impact on the 2012 budget of the City.

The 90/10 split in income tax revenues appears to have been supported by all parties when the voters approved it in 2004. The City struggles to pave residential streets, replace equipment and maintain facilities. But this is a charter issue that basically ties the hands of the City and therefore has little impact in these immediate proceedings.

Each party in these proceedings stressed the importance of the external comparables presented during this case. The Union argues that its bargaining unit is the lowest paid in a comparison of thirty-one regional jurisdictions including Franklin County. The City argues that its external list of comparables is more germane to the case because it represents county seats in Ohio with population and demographics which are more comparable to Springfield. Springfield is the county seat of Clark County. Both presentations of comparables have their strengths and weaknesses and are given weight by the Conciliator.

The critical comparables in the instant case are the internal ones. The Conciliator must give considerable weight to the fact that most other bargaining units in Springfield and their Unions have agreed to freeze wages in 2013. Although the Fire Fighters Union President testified at hearing that his Union agreed to a collective bargaining agreement with wage freezes through 2014 because of the concern regarding Senate Bill 5, the Conciliator cannot ignore the final product of these negotiations. The wages of non bargaining unit employees have been frozen as well. The Conciliator must give weight to internal comparables as directed by ORC 4117.14.

Additionally, while giving consideration to the financial data and arguments of the parties, the statute also requires that the Conciliator give consideration as well to the many competing demands and interests regarding the City's budget such as the golf course at the city-county park system and one-time settlement of income tax revenues which were utilized to reduce the City debt.

The Fact Finder in this case recommended a wage freeze in 2012 but made no recommendation for 2013 due to the economic uncertainty regarding City finances and economic climate. He essentially re-directed the parties to the 2013 reopener which is contained in Article 41 of the Agreement and which allows one party or the other to reopen negotiations in respect to wages and health care during the month of September, 2012. The general thread running through Conciliation awards in Ohio is to give considerable weight to fact finding reports and recommendations unless new facts or information are revealed during the conciliation process. The Conciliator is persuaded that the Fact Finder's Report and Recommendation in this case must be given significant weight.

The second re-opener, agreed upon by the parties for 2013 wages and health care, will allow for a more accurate analysis of city finances at the end of the 2012 budget cycle, and, further, will allow the City and Union to determine, through collective bargaining, if continued increases in income tax revenues will allow for an increase in wages for this bargaining unit for the third year of the Agreement.

THE CONCILIATOR'S AWARD IN THIS MATTER IN RESPECT TO EACH ISSUE AT IMPASSE IS AS FOLLOWS.

2012 WAGE RATES:

The parties are in agreement regarding a pay freeze in 2012. The pay schedule shall read as follows.

SCHEDULE A

CITY OF SPRINGFIELD, OHIO
POLICE DIVISION PAY SCHEDULE

SPPA PAYRATES		Effective through 12/31/2012		
CLASS TITLE	GRADE/STEP	HOURLY RATE	BIWEEKLY RATE	ANNUAL RATE
POLICE OFFICER	1P 7 new hire	19.37	1,549.60	40,289.60
	1P 1	20.16	1,612.80	41,932.80
	1P 2	22.30	1,784.00	46,384.00
	1P 3	23.12	1,849.60	48,089.60
	1P 4	23.92	1,913.60	49,753.60
	1P 5	25.32	2,025.60	52,665.60
	1P 6	26.33	2,106.40	54,766.40

2012 HEALTH CARE INSURANCE:

The City's proposal is to maintain status quo, a 90/10 split of the premium cost. In addition the City proposes to eliminate the provision regarding the HSA option. The Union has no objection. In addition the parties agree to change the 2010 date in Paragraph B to October 1, 2011. The parties are in agreement regarding Article 31, Insurance for 2012, and the language shall read as follows.

ARTICLE 31 – INSURANCE

Section B – Medical/Hospital Insurance

1. The City shall make health care benefits coverages available to employees under the City's health care plan, substantially comparable to the plan in effect October 1, 2011, which shall include, at a minimum, the following:

- a. Hospitalization/Surgical Coverage
- b. Diagnostic, X-Ray, and Laboratory Services
- c. Obstetrics Coverage
- d. Prescription Drug Coverage
- e. Hospice and Home Health Care Coverage
- f. Extended Benefits and Lifetime Dependent/Disabled children coverage as defined by the plan
- g. Mental Health/Substance Abuse Services
- h. Major Medical Benefits

All benefit payments, annual deductibles, and out of pocket expenses shall be as defined by the City's health care plan. The City is responsible for amounts in excess of the annual out-of-pocket, up to the lifetime maximums set by the plan.

Proposed changes to the City's Health care plan occurring during the term of this agreement will be presented to the insurance study committee for review and discussion prior to implementation.

2. Cost Sharing

Employees shall pay, by monthly wage withholding, 10% of the total premium for family coverage or single coverage. The employees' contributions shall be paid through a Section 125 plan by which the contributions are treated as pre-tax income.

The parties will annually convene the insurance study committee to explore available options to limit the cost of the health care plan to both parties.

3. Alternative Program

If an HMO, HMP, PPO or other similar program is implemented by the City during the term of this agreement with regard to any other group of employees, then such program shall be offered to employees covered by this agreement within six months of the implementation of the program. Within 60 days of the City's offer to the SPPA of such a program, the SPPA shall notify the City whether its members, as a group, elect to join the new program.

2013 WAGE RATES AND HEALTH CARE INSURANCE:

The City's final offer is adopted. The existing re-opener provision, contained in Article 41, is the appropriate means of dealing with wage rates and health insurance for 2013. This Conciliation Award shall make no provision for wages or health insurance for 2013. The parties bargained for two potential wage and health care re-openers during negotiations for the current Agreement. The September, 2012 re-opener will determine wages and health care for 2013 in the event one or both parties wish to modify these provisions through collective bargaining negotiations as contained in Article 41.

CONCLUSION

After review of the pre-hearing statements of the parties, all facts presented at hearing, all exhibits and testimony presented at hearing, and the Report and Recommendation of the Fact Finder, the Conciliator has developed the Award as contained in this report. In addition, the Conciliator has given consideration to the positions taken by each party regarding the issues at impasse and to the criteria enumerated in Ohio Revised Code Section 4117.14 (G) (7) (a – f).

Respectfully submitted and issued at Cleveland, Ohio this 30th Day of April, 2012.

A handwritten signature in cursive script that reads "Thomas J. Nowel". The signature is written in black ink on a white background.

Thomas J. Nowel
Conciliator

CERTIFICATE OF SERVICE

I hereby certify that on this 30th Day of April, 2012, a copy of the foregoing Award of the Conciliator was served upon Jerome M. Strozdas, representing the City of Springfield; Paul J. Kavanagh, representing the Springfield Police Patrolmen's Association; and Donald M. Collins, General Counsel, State Employment Relations Board, by way of electronic mail.

A handwritten signature in cursive script that reads "Thomas J. Nowel". The signature is written in black ink on a light-colored background.

Thomas J. Nowel
Conciliator

