

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

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In the Matter of the Conciliation between  
The City of Bellevue

AUG 12 10 30 AM '96

-and-

Ohio Council 8 & Local 2571, American Federation  
of State, County, and Municipal Employees, AFL-CIO

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SERB Case Nos. 96-MED-010031-32  
Conciliator: Sol M. Elkin

CONCILIATOR'S REPORT AND AWARD

Introduction

Hearing on the above-entitled matter was held on August 5, 1996, at Bellevue, Ohio, during which the parties presented evidence and argument in support of their respective positions. The City was represented by John W. Ferron, Esq.; the Union by Kevin Moyer, Staff Representative.(1)

The proposed collective bargaining agreement here in dispute covers both Group 2 of AFSCME Local 2571, the Fire fighters, and Group 3, the Fire Lieutenants of the City of Bellevue. Each Group has three members. This

(1) On July 30, 1996, the Conciliator received a request from the City to issue a subpoena to require AFSCME to produce "information within AFSCME's possession ... pertaining to other collective bargaining agreements AFSCME has negotiated in Ohio and any factfinding reports or conciliation awards pertaining to the hospitalization insurance provisions of contracts AFSCME has negotiated." In response to objection by the Union, the Conciliator declined to issue the subpoena on the grounds that the request was not timely and was unduly burdensome, as it would require the Union to locate and produce hundreds of reports within a few days prior to the scheduled August 5, 1996 hearing or, in the alternative, force a postponement of the scheduled hearing; the information sought was available from other sources, primarily SERB; and finally, it was deemed unlikely that the requested documents would be of material assistance to the Conciliator.

conciliation is combined for the two groups by mutual agreement of the parties.

On March 1, 1996, the undersigned was appointed as fact finder in this dispute. Subsequently, the parties entered into an Alternate Dispute Resolution Agreement in which they agreed that the undersigned would conduct a conciliation proceeding between the parties under Ohio Revised Code Section 4117.14 pertaining only to disputed language in Article 27, Hospitalization, of the proposed 1996-1999 Collective Bargaining Agreement:

#### ARTICLE 27 -- HOSPITALIZATION

SECTION 1. Effective May 1, 1996, or as soon thereafter as Blue Cross/Blue Shield of Ohio can commence coverage, the Employer agrees to provide the family hospitalization/major medical insurance at the level of benefits reflected in Appendix A hereto.

SECTION 2. The Employer may have the ability to purchase this plan from another company or to seek self-funding provided the coverage is not reduced in level of benefits.

SECTION 3. Over the life of this Agreement, the parties shall continue to meet and attempt to establish cost savings methods in the life of this Agreement. In the event that the cost of the hospitalization/major medical insurance should exceed the caps described below in Section 4 during the second year of this Agreement, the parties agree that they will engage in reopener negotiations concerning Article 27 of the Agreement.

SECTION 4. The City shall pay one hundred percent (100%) of the premiums or other costs associated with the insurance coverage described in Section 1 of this Article, capped at the cost to the City for such benefits of \$531.00 per month for family coverage and \$201.00 per month for single coverage. The amount of the cap will be subject to the reopener set forth in Section 3. above.  
(Emphasis added)

#### The Issue in Dispute

The sole issue in dispute concerns the last (underlined) sentence in Article 27, Section 4, above. The City asserts that that sentence should not be included in the parties' next collective bargaining agreement, whereas

the Union contends that this sentence should be added to the Agreement. Tentative agreement has been reached on all other provisions of the proposed contract.

#### Background

The City has four recognized bargaining units, three of which are represented by AFSCME: service, maintenance and clerical workers (Group 1), and the Fire fighters and Fire Lieutenants (Groups 2 and 3). The fourth bargaining unit, the City police, are represented by the Ohio Police Benevolent Association. There are also employees, including administrators, who are unrepresented.

The health insurance premium cap that is the subject of this proceeding was first adopted in the preceding collective bargaining agreement, effective April 1, 1994. The cap was \$531.00 per month for family coverage and \$201.00 per month for single coverage and has been carried over into the proposed contract. Because of reductions in coverage, premiums have yet to rise to these amounts: the current premiums being \$519.86 and \$191.39 respectively.

#### Position of the Union

The Union argues that in the event negotiations are reopened, without the ability to negotiate a new cap the Union would bear all of the risk of bargaining. If benefit levels were to be increased, the employees would bear the entire cost; if benefit levels were reduced the City risks nothing. Also, only the three AFSCME units are subject to the health insurance premium cap; the police unit and the unrepresented employees, a majority of the City's labor force, are not. Thus, the Union urges, to deny to the Union even the opportunity to negotiate the amount of the premium cap during a reopener would be disparate treatment. Finally, the Union notes that since the cap was instituted in 1994, the Union has worked with the City to reduce premium costs, including the acceptance of reduced benefits, which has resulted in a savings to the City of approximately \$70,000 over the last three years.

#### Position of the City

The City notes that its employees enjoy a generous health insurance plan as compared to those of neighboring communities. Also, as all City employees are included under the same insurance contract with the same coverage, negotiating changes in coverage with the several unions is very complicated. As a practical matter, therefore, it is helpful to eliminate as many variables as possible, such as the amount of the cap. The City is concerned that if it must negotiate the cap, because Union members are very

reluctant to share health insurance costs another impasse will likely occur. Finally, the City anticipates that all City employees soon will have the same cap as well as the same coverage because it plans to pass an ordinance imposing the same \$531 cap on the unorganized employees and to negotiate that cap into the next police contract.

#### Discussion

The major consideration in this dispute is that the level of health coverage provided to the Union in the collective bargaining agreement is directly linked to the cost of that coverage and cannot be separated. To eliminate from a discussion of possible changes in benefits the cost of those changes or who will pay for them, as urged by the City, is unreasonable. One must agree with the Union that in reopened negotiations under the City's proposal it would be at a disadvantage. As the premium cap would already have been exceeded, no matter what change in coverage is agreed upon, the City's cost could not increase. The Union, on the other hand, would either lose some coverage to stay within the cap, or pay an added amount above the cap. Thus, the City would enter negotiations having nothing to lose while the Union would be faced with the choice of either accepting reduced benefits or paying to retain or improve what they have.

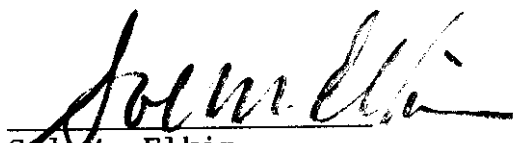
The comparability data adduced by the City shows that the City's health insurance provisions does compare favorably to that of some neighboring communities, but does not directly address the issue in this dispute. More pertinent is a comparison of the subject Union with other Bellevue City employees with respect to the cap on health premiums. The absence of a cap for the police and the unrecognized employees reinforces the Union's position that it should have the opportunity to include the cap in the event of reopened negotiations.

The City's expressed intent to extend the same cap to all of its employees in the immediate future may well materialize, but at this time there is no certainty that this will be accomplished.

Based upon the criteria set forth in Chapter 4117.4(7) of the Ohio Revised Code, for the above reasons the Conciliator finds the Union's position to be more persuasive than the City's.

#### Award

The sentence--"The amount of the cap will be subject to the reopener set forth in Section 3, above."-- shall be included in Article 27, Section 4 of the parties' proposed collective bargaining agreement for 1996-1999.

A handwritten signature in cursive script, appearing to read "Sol M. Elkin". The signature is written in black ink and is positioned above a horizontal line.

Sol M. Elkin,  
Conciliator

August 8, 1996