

Fact-Finding, Conciliation and Comp

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Negotiations and Lead-up to Impasse Procedures

- **Have Finance Involved Early in Process**
 - Know your financial position – be prepared during negotiations to make educated proposals – don't wait until you're prepping for hearing
 - Be realistic but strategic with proposals
- **Understand Associated Costs**
 - Cost of raises isn't just the wage increase
 - OT projections
 - Roll-up costs (Pension, WC, liability, etc)
- **Five-Dimensional Chess**
 - Understand the affect of one BU on another
 - Understand Organization-wide costs, not just cost of one BU
- **Choose Wisely (fact-finder)**



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Negotiations and Lead-up to Impasse Procedures

- **Where can we save?**
 - Work with insurance brokers to determine cost effective insurance plans
 - Is paid time off an issue?
- **Are we over/under-staffed?**
 - Associated OT?
 - Layoffs on the horizon?
- **Find hidden/unpredictable costs**
 - Did past regimes give time off to avoid raises?
 - Were there bonuses negotiated to avoid the "appearance" of raises?



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Negotiations and Lead-up to Impasse Procedures

- **Are we truly at impasse?**
 - Are we at a point that we want an outsider to decide our financial future?
 - Have we properly assessed our financial position?
 - Can we achieve operational efficiencies?
 - Can we finish with one BU to start pattern?



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Know the Landscape

- Find out what your neighbors are doing
 - <https://scrh.ohio.gov/wps/portal/gov/scrh/documents-and-decisions/collective-bargaining-agreements/>
 - Be realistic but strategic with proposals
- Research your fact-finders
 - <https://scrh.ohio.gov/wps/portal/gov/scrh/documents-and-decisions/fact-finding-reports/>
 - Some arbitrators are good for grievance arbitration, but not for "interest arbitration" and vice-versa
- Understand the Statewide trends
 - Wage Settlements: <https://scrh.ohio.gov/wps/portal/gov/scrh/documents-and-decisions/wage-settlement-reports/>
 - Insurance Trends: <https://scrh.ohio.gov/wps/portal/gov/scrh/documents-and-decisions/insurance-reports/>



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Wage Settlement Breakdown (2009 – 2018)

Comparison Group	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Statewide	0.19	1.50	0.75	1.00	1.47	1.77	2.03	2.18	2.20	2.31
Local										
(1) Akron/Canton	2.08	1.14	0.57	0.72	1.46	1.76	1.89	1.90	2.31	2.24
(2) Cleveland	2.10	1.20	0.49	1.14	1.12	1.60	2.05	2.41	2.37	2.63
(3) Cincinnati	2.10	1.34	0.60	1.00	1.49	1.49	1.99	1.99	2.04	2.15
(4) Columbus	2.31	1.51	1.12	1.11	1.68	1.88	2.16	2.30	2.19	2.63
(5) Dayton	2.17	1.23	0.60	1.06	1.41	1.97	2.24	2.30	2.33	2.29
(6) Southeast Ohio	2.25	1.23	1.38	1.46	1.90	1.95	2.07	2.49	2.03	2.39
(7) Toledo	2.07	1.16	0.74	0.85	1.39	1.83	1.87	2.30	2.32	2.29
(8) Warren/Troytown	1.36	0.95	0.46	0.95	1.35	1.70	1.82	1.61	1.68	2.15
Government										
City	2.46	1.39	0.93	1.18	1.61	1.92	2.06	2.22	2.14	2.30
County	1.74	0.94	0.72	1.35	1.81	1.98	2.12	2.23	2.26	2.33
Township	1.82	1.49	1.26	1.81	1.50	1.88	1.94	2.14	2.22	2.45
School District	1.71	1.07	0.25	0.54	1.17	1.52	1.92	2.09	2.20	2.22
Job Type										
Police	2.43	1.39	0.96	1.20	1.60	2.03	2.22	2.36	2.20	2.30
Fire	2.47	1.21	1.22	1.21	1.66	1.86	1.93	2.24	2.22	2.32
Teacher	1.99	0.96	0.34	0.40	1.23	1.54	1.93	2.04	2.23	2.30
Other	2.24	1.22	0.68	1.01	1.45	1.69	1.94	2.03	2.18	2.17
Contract Year										
First Year	2.09	1.04	0.72	0.97	1.46	1.67	2.12	2.29	2.21	2.26
Second Year	1.46	1.27	0.93	1.07	1.40	1.78	2.07	2.14	2.17	2.30
Third Year	2.65	2.12	1.04	1.30	1.58	1.81	2.05	2.17	2.20	2.37



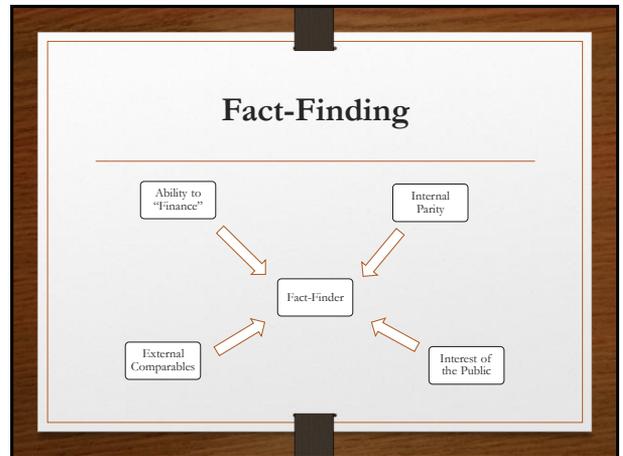
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Your Position Statement

- Layout the financial position of the Employer
 - Briefly give your bottom line and reason for your proposal – but not too much
 - Describe any settlements with other bargaining units
 - State your position in contract format (so fact-finder can cut and paste)
 - Give bargaining history with focus on aspects that support your current position
 - Often this is the document that the fact-finder will look at most often while he is making his decision
 - Make sure everything matches what you will present
 - Submit it on time!
 - Narrow the issues as much as possible – show your reasonableness



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Issues for Fact-Finder to Consider

- (K) The fact-finding panel, in making recommendations, shall take into consideration the following factors pursuant to division (C)(4)(e) of section 4117.14 of the Revised Code:
 - (1) Past collectively bargained agreements, if any, between the parties;
 - (2) Comparison of the unresolved issues relative to the employees in the bargaining unit 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 interest 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) Any stipulations of the parties;
 - (6) Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment



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Fact-Finder Considerations

- **Previous Bargaining History**
 - Have we gone years with zeros?
 - Have we given generous raises?
 - Have you generally done pattern bargaining with all your groups?
- **Comparables to other similar public employers**
 - Adjacent communities
 - Similar sized and median household income communities
 - Similar services offered (Electric, Water, etc)
- **Internal Comparables (fact-finders differ on its importance)**
 - Generally give same raises?
 - Insurance the same across the board?
- **Financial Position of the Employer**
 - Ability to "finance" an increase
 - Effect of services provided



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Presenting Financials

- **GFOA Recommendation:** 17% unencumbered GF balance
 - Generally higher for Cities with Utilities
 - Shows 5 year projection
 - Arbitrators generally also view "revenue funds" as part of this
 - Many don't care about this as long as it won't make you go broke
- **Keep it simple:** Stipulate to financial facts if possible
 - Fact-finders are not generally CPAs
 - Don't clutter with 100's of pages of spreadsheets, charts, graphs, etc
 - Basic summary with bottom lines
 - Costs and effects of increases
 - Look at three-year projection
- **Know your opponent:**
 - Some use "financial accountants" to find money
 - Know all of your tax items and what they are for, so Union can't "find money" that you can use
 - Some simply use BA to present - usually more "raw and hot"
 - Some use an attorney to present - sometimes "overly litigious-like"



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Fact-Finder Views on Financials

- **Confusion:** Confused by overuse of data; Leads to unacceptable report
- **Differing Views on Comparables:**
 - Some think internals are more important, some don't
 - They generally assume you "gild the lily" in your favor
 - Make sure you can justify use of ALL comps - cherry picking looks bad
- **Reasonableness:**
 - Arbitrators tend to find against you if you appear entrenched and inflexible
- **Health Insurance**
- **Fact-Finder as Mediator:**
 - Can often be a good way to "tell your story" in a more informal way
- **Tie finances to effect on public service:**
 - Can often be a good way to "tell your story" in a more informal way



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Other Considerations

- Fact-Finders understand that in public sector, both sides are political entities
- Fact-Finders want their reports to be accepted by both sides
- Conciliators have to give deference to fact-finders' reports
- Accepting/rejecting the report – need 2/3 vote to reject – failure to vote creates acceptance



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After Fact Finding

- Accept or reject – if both accept, it becomes contract language
- Safety Forces – Next step is conciliation if rejected by either party
- Non-Safety Forces
 - Unit can strike with notice
 - Continue to negotiate
 - Unilateral implementation
- Ask for help: You're not on an island, Everyone rowing together



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2018 Fiscal Caution/Watch/Emergency Stats

- **Fiscal Caution**
 - 2 Townships, 2 Villages and 1 School district
- **Fiscal Watch**
 - 2 Cities, 1 Township
- **Fiscal Emergency**
 - 4 Cities, 9 Villages, 1 Township and 2 School Districts



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Workers' Comp

- **Savings Programs:**
 - Traditional Group Rating
 - Group-Retrospective Rating
 - Individual-Retrospective Rating (a hybrid between state-fund and self-insurance, whereas you still pay a reduced premium to the BWC but are responsible for dollar for dollar of claims costs for 10 years)
 - Self-insurance
 - *Complete an AC-3 authorization for evaluation of eligibility for the programs for state-fund employers, or we can provide you with a self-insured analysis, which will provide a review/analysis of savings typically based on prior risk experience.



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Workers' Comp

- **Ways to damage control your risk:**
- Litigation
- Settlements
- Aggressive claims management
- Handicap reimbursements
- Manage FMLA and run it concurrent with WC



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Questions and Wrap-up

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