

I. BACKGROUND

The fact finding involves the City of Sheffield Lake and its Police Department, specifically, (1) five full-time Sergeants, (2) four full-time Patrolmen, and (3) four full-time dispatchers. All three units are represented by the Ohio Patrolmen's Benevolent Association, OPBA. Prior to the fact-finding, there were a number of bargaining sessions. The parties were able to resolve all but two issues. Both are economic. The issues remaining at impasse during the fact-finding were Compensation and Longevity.

The fact-finding hearing was held on February 19, 2002 at the Sheffield Lake City Hall. The hearing began at 12:00 p.m. and adjourned at 1:30 p.m. The Fact Finder appreciates the cooperation and professionalism of the parties toward him and each other.

The Ohio public employee bargaining statute provides that SERB shall establish criteria the Fact Finder is to consider in making recommendations. The criteria are set forth in Rule 4117-9-05(K) and are:

- (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 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) 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 the issues submitted

to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

The Fact Finder hopes the discussion of the issues is sufficiently clear to the parties. Should either or both parties have any questions regarding this Report, the Fact Finder would be glad to meet with the parties to discuss any remaining questions.

II. FACTS

The City of Sheffield Lake is located on the shore of Lake Erie in Lorain County. It is a residential community approximately one by three miles in area. It is approximately ninety percent (90%) residentially zoned. It lacks industry and has almost no commercial tax valuation. Its tax base is largely dependent on property and income taxes from its residents, the vast majority of whom work outside the city. Most of its land has been developed and there is little likelihood of any new development that would add to the city's coffers.

The Union's demands regarding the two economic issues at impasse are based on its desire to attain parity with other Lorain County police departments. The Union presented evidence showing that the Sheffield Lake Police Department pay scale for all three groups is at or near the bottom of other cities in Lorain County. Particularly, the Union points to Amherst, Oberlin, and Vermillion. The Union acknowledges that Sheffield Lake has traditionally been at the low end or bottom of the pay scale compared to these other cities. However, it seeks parity with these other cities so Sheffield Lake does not lose its police employees to its sister communities.

The impasse in these economic issues centers on the City's ability to finance the

Union's demands. The City bases its revenue from figures provided by the county. In 2001, the actual revenue received by Sheffield Lake was approximately \$75,000 less than the county projected. The City is concerned that its 2002 revenues will also fall short of the county's projections. Additionally, Sheffield Lake received a COPS grant from the federal government allowing it to add slightly more than two full-time equivalent police officers. The COPS grant expired in 2001, reducing the funds the City has available for police salaries by \$85,642.80. Based on its budget, the City does not believe it will have sufficient revenue to pay increases beyond its offer. Recognizing the need to increase revenue, Sheffield Lake has taken steps to increase its income tax revenue. This measure, if approved, will not take effect until 2003.

Additionally, the City contests the comparable information presented by the Union. Several of the cities receive revenue from industry or commercial development. The three cities identified by the Union as the most similar, Amherst, Oberlin, and Vermillion, all differ from Sheffield Lake in some major respect as to the revenue they receive. Amherst receives revenue from a large employer, Nordsen. Oberlin College is in Oberlin. Vermillion is also located on Lake Erie and receives revenue from tourism, especially its marina. As a result, these cities are better able to afford increases than Sheffield Lake.

III. ISSUES

Issue: Compensation, Article XXVI

Union Position: The Union is proposing across-the-board increases of four percent (4%) effective 1/1/02, 1/1/03, and 1/1/04 for all three units. Any increase should be made in the pay scale, not in pension contributions.

City Position: The City recognizes the need for increases for its pay scale to remain competitive with surrounding communities. However, given its revenue situation, it cannot afford the increases proposed by the Union. The City proposes no wage increase, but an increase in the pension contribution of three percent (3%) in 2002, an additional one percent (1%) in 2003, and an additional one percent (1%) in 2004.

Discussion: The City bases its proposal for no wage increase and an increase in pension contributions on its ability to finance such increases. It has taken initial steps to increase its income tax revenue, but foresees a lack of revenue until at least 2003. It will not receive the COPS grant, decreasing revenue for police salary by over \$85,000. It has proposed an increase of five percent (5%) in pension contributions over the life of the contract.

The list of comparable jurisdictions presented by the Union shows that Sheffield Lake is at or near the bottom of the pay scale for surrounding communities. For sergeants, the City is at the bottom, although only six hundred dollars (\$600) less than Vermillion. Similarly, patrolmen compensation is last on the list, though only eight hundred dollars (\$800) below the next two on the list. Dispatcher compensation is in the middle of the comparable scales. Each unit is helped somewhat by longevity pay. The City's longevity pay is the second highest for sergeants and dispatchers, and third highest for patrolmen. This helps somewhat to bring their compensation closer to the average. It does not do enough, however. The average increase for these comparable communities is just over four percent (4%) for sergeants, and just under three percent (3%) for patrolmen and dispatchers.

The evidence regarding comparables shows that the Sheffield Lake officers are somewhat underpaid. While this appears to be a historical trend, providing a pension increase in lieu of a wage increase will cause the Sheffield Lake officers to fall far below the other communities. It will be difficult to make up, especially in light of the City's position regarding future revenues. In light of this information, the City's proposal is unreasonable. It is in the best interest of the officers, the City, and the residents that the officers compensation be kept competitive. If not, the City could lose valuable police department employees. However, the Fact Finder believes the City's financial picture should be factored into the equation. Consequently, the increases proposed by the Union are somewhat high. Smaller across-the-board increases will keep the officers's salaries competitive while giving the City some relief. Should the City's attempts to increase income tax revenue be successful, the Union can try to achieve parity in the next round of negotiations.

Finding of Fact: The Fact Finder recommends across-the-board increases of three and a half percent (3.5%) effective January 1, 2002, January 1, 2003, and January 1, 2004 for all three units.

Suggested Language: The wage rates in both contracts should be changed to reflect three and a half percent (3.5%) increases each year.

Issue: Longevity, Article XXVII

Union Position: The Union proposes that the current longevity benefit be raised from \$125 per year of service after three complete years of service to \$137.50 per year after three years of service through thirteen years of service, and \$150.00 per year for fourteen

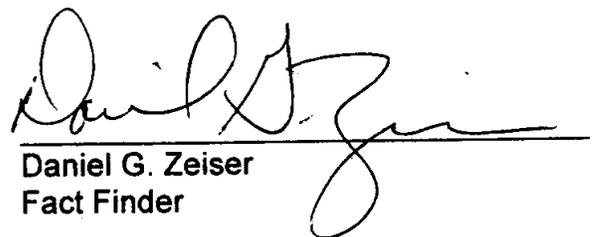
or more years of service.

City Position: The City proposes retaining the longevity benefit set forth in the current contract.

Discussion: The list of comparable communities shows that the longevity benefit enjoyed by Sheffield Lake officers is one of the highest. For sergeants, it is the second highest and exceeds the lowest on the list by almost five hundred dollars (\$500). For dispatchers, it is also the second highest, but it exceeds the lowest by almost one thousand dollars (\$1,000) and the next lowest by six hundred fifty dollars (\$650). For patrolmen, it is third highest, and exceeds the lowest by almost seven hundred dollars (\$700), and the second and third lowest by over four hundred dollars (\$400).

Given the City's position regarding revenues and the three and one half percent (3.5%) increases already recommended, it is unreasonable to grant an increase in the longevity benefit.

Suggested Language: The language of Article XXVII in the 1999-2001 contracts be retained without change.


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Fact Finder