

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

FACT FINDING PANEL

SERB CASE NUMBER: 01-MED-07-0665

FRATERNAL ORDER OF POLICE, OHIO LABOR COUNCIL, INC.

AND

CITY OF CARLISLE

FACT FINDER'S REPORT AND RECOMMENDATIONS

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FACT FINDER

NOVEMBER 26, 2001

STATE EMPLOYMENT
RELATIONS BOARD

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HEARING

The Fact Finding Hearing took place on Thursday, November 8, 2001 at 760 West Central Avenue in Carlisle, Ohio, and lasted from 10:00 a.m. until 3:00 p.m. Representing the City of Carlisle were Sergeant, Tim Boggess; Chief, Bob Pieper; the Assistant City Manager for Finance, Ron Hovell; Attorney Jeff Mullins; and the principal representative of the City, Attorney, David Weisblatt. Representing the Fraternal Order of Police were its principal representative, state staff representative, John Heineman; and Police Officer, Brian Brown.

ISSUES REMAINING AT IMPASSE

At the time the Fact Finder entered the dispute, the following issues remained at impasse:

- Article 7 Management Rights
- Article 16 Work Period and Overtime
- Article 19 Wages and Compensation
- Article 26 Sick Leave
- Article 29 Shift Bidding

MEDIATION

As a result of mediation, all issues were resolved, except Article 19, Wages and Compensation.

CRITERIA FOR DECISION

As provided by the requirements of the State Employment Relations Board, the Fact Finder based his recommendations on the following:

--A comparison of 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;

--The interest and welfare of the public, and 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;

--The lawful authority of the public employer; Any stipulations of the parties; and

--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 sector or in private employment.

ARTICLE 19, WAGES AND COMPENSATION

POSITIONS OF THE PARTIES

Patrol Officers currently receive a base pay of \$21,339, and have the potential to move through a fifteen step pay schedule which produces a top pay of \$30,231. At present, the initial placement of an employee on a step, and movement through these fifteen steps of the pay schedule is based on the following statement in the employee manual:

“Employees of the Municipality of Carlisle will be assigned to a particular grade dependent upon the position being assigned and particular step based upon education, experience, and specified training necessary for employment. The Manager using the Performance Appraisal System shall make an advancement from step to step within the pay range. Evaluation may take into consideration merit, fitness, change in responsibilities of the position, and other factors that in the judgement of the Manager may be pertinent in determining individual advancements and compensation. Advancement in rates of

compensation ordinarily shall be to the next higher step, but may be made to any higher step as determined by the Manager.”

In its position statement to the Fact Finder, the City offered yearly wage increases of five percent for each year of a three year agreement. Although the City characterized the first year increase as being fifteen percent, it is really a five percent increase. Since the City proposal would require bargaining unit members to pay their share of retirement contributions(10% of salary), rather than having this contribution made directly to the retirement fund by the City, the net increase in salary for the first year would be five percent. The City stated that it “understands that its current wages are below what most police officers earn” and that it wanted to “put forth a wage proposal that would begin closing the gap between Carlisle police officers and others in Ohio”.

The City also indicated that it is aware that its 15-step wage table is subjective, and is not based on seniority. It said that the City is willing to discard the current 15-step wage table in favor of a procedure that would operate in a more objective fashion.

Despite its belief that the pay of bargaining unit members should be improved, the City said it was constrained by limited finances. It pointed out that its largest employer, Dopaco, recently left the City and that Jebco Clock has also announced its intention to leave the City. Together, the relocation of these two companies will result in a projected loss in income taxes of about \$60,000 a year. In addition, the City indicated that the statutorily required renovation of Route 123 would force the City to spend an additional \$350,000 in 2002.

Finally, the City contends that its position is somewhat unique; it is a small community without a serious crime problem, that is experiencing financial difficulties. As a result, it

says, it should not be compared to nearby larger communities, that have higher crime rates, and a greater ability to pay.

In the FOP's final proposal, which was submitted at the Fact Finding Hearing, it asked for yearly wage increases of four percent. It also proposed a fifteen step wage plan that would provide step increases of two and one-half percent, that would automatically be granted every six months until the top step was reached.

The Union introduced evidence from SERB data indicating that Carlisle patrol officers receive starting salaries that average almost \$15,000 less than those of other cities of less than 60,000 residents within a twenty five mile radius of Carlisle.

The FOP also argued that its proposal was reasonable in light of recent increases in the cost of living. These increases, the Union evidence demonstrated, were about four percent over the last year.

The Union also pointed out that according to SERB data, the average statewide increase in wages for police officers in 2000, was 3.95%.

FINDING OF FACT

The Fact Finder believes that four distinct concerns were raised by the parties at the Hearing: the appropriate yearly increases in the base pay; the structure of the step system, including both the number of steps and the percentage wage differential between each of the steps; the criteria and time period for progressing between steps; and the pension pick-up issue.

With respect to the yearly increase in base pay, some facts are not in dispute. The City concedes that its wages are relatively low and indicated a desire to improve the standing of

Carlisle police officers compared with those of employees in comparable jurisdictions. The City did, however, indicate a lack of resources to pay for such increases.

In fact, in a very unusual set of circumstances, the Union's final proposal during the Hearing was actually lower than a wage offer made by the City. This Union proposal for yearly wage increases of four percent for each year of a three year agreement is actually lower than the five percent annual increase proposed by the City in its submission to the Union and the Fact Finder. The Fact Finder cannot understand why the City cannot afford the increase proposed by the Union, when it actually proposed a higher increase.

In addition, the Fact Finder is aware that both increases in the Consumer Price Index, and average wage increases for police officers around the State of Ohio, have been about four percent. Thus, the annual wage increase of four percent proposed by the Union would only serve to maintain the relative pay standing of Carlisle police, and would not improve their pay relative to officers in other departments. An increase of less than four percent would actually cause the relative standing of Carlisle officers to deteriorate.

For these reasons, annual wage increases of four percent are appropriate.

The second issue that needs to be addressed is the number of step in the pay structure, and the percent pay differential between each of these steps.

In its final proposal, the City advanced a seven step pay structure, with a two percent wage differential between each of the steps. In its final position, the Union proposed maintaining a fifteen step structure, with a two and one-half percent differential between steps.

At present, a fifteen step pay structure is in place, and the wage differential between the first step and the fifteenth step is 41%.

How many steps is typical in a pay system for police officers? For police officers throughout the state of Ohio, the usual number of steps between entry level and top pay is five steps. The Fact Finder believes it is administratively burdensome to have a pay structure with fifteen steps, and that some compression of the current number of steps is appropriate.

Much more significant than the number of steps, of course, is the pay differential between entry level pay, and the rate of pay at the top step. Under the present pay structure, as indicated, there is a forty one percent increase in wages between the first and fifteenth steps. What differential exists among comparable employees? Although the parties expressed strong disagreement regarding which jurisdictions were comparable to Carlisle, this difference is not relevant with respect to the pay differential between steps.

The fact that Carlisle is a relatively small city, with low crime, and a modest tax base, is reflected in the relatively low starting wages of its police officers. If Carlisle police officers also experienced a lower percentage increase in their salary as they progressed through the pay structure, this would serve to even further widen the pay discrepancy. In sum, unless the pay of Carlisle police officers improve as a result of step increases at the same rate as officers in other jurisdictions, their pay will be comparatively worse at the top step than at the first step.

In Franklin, Kettering, and Trotwood, the difference between entry level pay and top pay is 31%; in Oakwood, 37.8%; and in Huber Heights 41%. Although these communities may not be comparable in terms of the level of pay their police officers receive, they are comparable in terms of the pay differential between the first and top steps of their pay

structure.

The third issue is how employees progress through different steps in the pay structure. It is clear that the current system is vague with respect to both the criteria for moving between steps, and when such movement should occur.

Although some exceptions exist, public sector employers in the State of Ohio overwhelmingly move employees through successively higher steps in their pay system based on their length of service. The use of a subjective system that does not follow a definite timetable is both unusual and unwise. The City voiced a willingness to move to a more objective system of movement between steps, and the Fact Finder agrees that this is appropriate.

The time employees spend at each step in the pay system has obvious cost implications. The longer employees stay at each step, of course, the lower the expense for the City. The norm for comparable employees is to spend one year, or less, at each step in a police pay structure. By recommending a relatively large number of steps(seven), and one year between steps, the Fact Finder is recognizing the somewhat precarious financial situation of the City. On the other hand, Carlisle police officers cannot continue to receive both a low initial salary, and fail to improve on that salary as they increase their seniority. Such a system, currently in effect, will almost certainly lead to unacceptably high rates of turnover.

The final issue is the question of whether the City should cease making their ten percent pension payment directly into the Police and Fireman's Disability and Pension Fund, and instead increase employee's salaries by this amount. The parties both agreed that this change was desirable, and stipulated that the Fact Finder make this recommendation.

Although the City made numerous references to its ability to pay , all of their arguments indicated that, based on current projections, a serious financial “crunch” would not materialize for two to three years. Given the City’s current economic development efforts, and all of the uncertainties involved in such economic projections, it is inappropriate to deny justified wage increases on the basis of speculation about the future. The City is to be commended for its excellent efforts at financial planning. However, Carlisle police officers should not fall further behind wages of comparable employees; when, at present, the City does have the ability to pay.

RECOMMENDATION

1. Yearly salary increases should be four(4%).
2. The pay structure should have seven(7) steps, with a five percent(5%) salary differential between steps.
3. Employees will move to the next step of the pay system every twelve(12) months.
4. The change in pension pick-up stipulated by both parties should be implemented.

The specific contract language should read as follows:

ARTICLE 19 WAGES AND COMPENSATION

Section 19.1 Effective on the first day of January, 2002 bargaining unit members shall receive wage compensation according to the following schedule:

Patrol Officer.

Effective 1/1/2002

Starting	after 1	after 2	after 3	after 4	after 5	after 6
	year	years	years	years	years	years

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
\$22,192	\$23,301	\$24,466	\$25,669	\$26,952	\$28,299	\$29,713
Effective 1/1/2003						
\$23,080	\$24,234	\$25,446	\$26,718	\$28,054	\$29,457	\$30,930
Effective 1/1/2004						
\$24,003	\$25,203	\$26,463	\$27,786	\$29,175	\$30,634	\$32,166

Section 19.2

The full amount of the statutorily required contribution to the Police and Firemen's Disability and Pension Fund of Ohio (P&FD &PF) shall be paid by the City of Carlisle, on behalf of those employees who are, or become, contributing members of the P&FD&PF.

The statutorily required employee contribution (10% on November 26, 2001), will be added to the salary of each employee indicated in Article 19.1, rather than directly submitted to the P&FD&PF. Each employee, in conjunction with the City, shall then take any and all necessary steps to make sure that this statutorily required employee contribution is forwarded to the P&FD&PF, in compliance with all legal and fund requirements.

It is further recommended that all of the parties' tentative agreements be incorporated into their Agreement.

This concludes the Fact Finder's Report and Recommendations.

Michael Marmo
Michael Marmo
Fact Finder

November 26, 2001

PROOF OF SERVICE

This is to certify proof of service on November 26, 2001 by Federal Express Overnight Delivery to Jon Heineman, Fraternal Order of Police/Ohio Labor Council, 222 East Town Street, Columbus, Ohio 43215; and David Weisblatt, Coolidge, Wall, Womsley and Lombard, 33 West First Street, Suite 600, Dayton, Ohio 45402; and by certified US Mail, return receipt requested, to Dale Zimmer, SERB, 65 E. State Street, Columbus, Ohio 43215-4213.

Michael Marmo

Michael Marmo
Fact Finder

Cincinnati, Ohio
November 26, 2001