

STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD

STATE EMPLOYMENT
RELATIONS BOARD

2003 MAR -3 A 10: 28

In the Matter of Fact-Finding :
between : SERB Case Numbers:
 : 02-MED-08-0729
 : 02-MED-~~09-0739~~, 08-0730
 : 02-MED-~~09-0731~~
 : 08
THE CITY OF MOUNT VERNON :
and : Mediation/Fact-Finding Session:
 : February 21, 2003
 :
 : Date of Report:
THE FRATERNAL ORDER OF POLICE, : March 3 , 2003
OHIO LABOR COUNCIL, INC. :
 : Jack E. McCormick
 : Fact-Finder
 :

REPORT OF MEDIATOR/FACT-FINDER JACK E. MCCORMICK

BACKGROUND

On February 21, 2003 a fact-finding/mediation was held between the captioned parties at the Mount Vernon, Ohio City Hall. Present on behalf of the Union were:

Dennis Sterling
Mark A. Perkins
and
Tom Bumpus

Present for the City was:

Michael Underwood, Esquire
Terry Scott, City Auditor
Joel Daniels, City Safety Director
and
Jennifer Beale, Esquire

Mount Vernon is the county seat for Knox County with an approximate population of 15,200. There are approximately twenty-one members in this bargaining unit and it was deemed certified prior to 1999 by SERB. The present employee organization has been recognized since the late 1960's. This is a mature contract.

The parties have met for negotiations on the current contract on October 1, October 22, November 7, December 16, December 17, 2002, and January 24, 2003.

Pursuant to the rules and regulations of SERB and the guidelines thereunder, the parties were offered mediation on the various issues and, of those issues agreed to at fact-finding, the following articles were successfully mediated and the parties have signed off on these issues:

Tuition Reimbursement
Health Insurance Reopener
Field Training Officer
Shift Differential

The parties being unable to agree on wages and longevity resulted in a fact-finding being held on those two remaining issues.

The City's position at fact-finding was that it was willing to grant to the employees in the new contract annual wages of four percent (4%) on each of the contract years retroactive to January 1, 2003.

The Union is requesting wage increases of five percent (5%) for each of the three years of the contract retroactive to January 1, 2003.

The City proposes a \$.02 per year longevity increase beginning at the sixth year of continuous employment. The Union proposes a \$.04 per year increase.

FACTS

Both parties provided extensive documentation, as well as oral arguments, in support of their respective positions. In both the mediation session as well as the fact-finding session, the Fact-Finder found the parties' arguments to be very clear, precise, and cogent. In fact, the Fact-Finder believes the parties have been equally persuasive on all issues, save one.

First, and most importantly, the City has stipulated that it has the financial ability to pay any and all of the proposals set forth in the Union's package. Therefore ability to pay is not an issue in this fact-finding.

The Fact-Finder finds as a matter of fact that the City of Mount Vernon is relatively financially stable. It has experienced a modest growth in income, as well as tax revenues, and has historically experienced budget surpluses between 1.3 and 1.7 million dollars per year, which represents an 18.75 percentage of their annual budgets.

Furthermore, it has recently concluded successful bargaining with two other of its bargaining units, that being the Firefighters, and the Service Workers. This is the third and final unit to sign a current labor agreement.

It also must be noted that the City has granted, under the proposed contract, and those items that were mediated on February 21, 2003, several financial concessions that will benefit the bargaining unit, such as field training officer pay, tuition reimbursement, increased shift differential, increased optical coverage, and some protection from the potential of rising health care premiums.

LONGEVITY

The monetary difference in the parties' positions on longevity is negligible. Their arguments in support of their respective positions are equally persuasive. There does not appear, in this Fact-Finder's opinion, sufficient evidence not to support the respective position of either of the parties' in this matter. This places this Fact-Finder in a unique position as he finds the facts on this particular issue to be a "dead heat." In such a case the Fact-Finder must necessarily must attempt to fashion his own solution to the problem within the parameters of the facts provided to him.

FINDING OF FACT

As a matter of fact this Fact-Finder finds that a longevity increase of \$.02 to \$.04 per hour is supported by the facts presented to this Fact-Finder. Accordingly, the Fact-Finder finds

that the language in the new contract at Article 34 should reflect a \$.03 per hour increase for each employee at the end of the sixth year. Therefore, Article 34 of the current contract shall read as follows:

34.1 Each employee with five (5) or more years of service will receive a longevity supplement to hourly pay at the rate of \$.08 per year at the completion of the fifth (5th) year of service and an additional \$.03 per hour at the completion of each year of service thereafter, up to and including completion of the thirtieth (30th) year of service.

WAGES

Next to health insurance wages is one of the complex issues surrounding any fact-finding. The Fact-Finder has thoroughly reviewed and re-reviewed all of the various materials the parties have provided on this issue.

Without setting forth all of the various components contained within the respective parties' arguments, the Fact-Finder is able to find as a matter of fact that this particular bargaining unit appears to be at the mid to low-mid range of comparable bargaining units in comparable cities.

Furthermore, the Fact-Finder finds as a matter of fact that the historical wage increases for this particular bargaining unit have been four percent (4%) per annum with some minor exceptions in the mid-1990s. Furthermore the Firefighters' bargaining unit was recently granted by the City a four percent (4%) annual increase for the three years of its contract.

The Fact-Finder further finds that the turnover rate for this bargaining unit is not a significant factor.

Further, the Fact-Finder finds that the inflation rate for this bargaining unit should be considered as 2.4% per annum. In addition, the Fact-Finder finds that the cost of the Union's wage proposal to the City would be 4.676 million dollars for the term of this contract. This means that should the Fact-Finder find that the Union's wage proposal to be factually supported, that wage increase coupled with the other economic matters already agreed to by the parties, would be in excess of the City's average annual surplus.

The Union argues that it is attempting to "play catch up" with its brethren in other police departments throughout similar sized communities. This is a valid argument. On the other hand the City argues that an increase sought by the Union would be unprecedented both historically, as well as when compared to recent wage increases granted to the other two bargaining units, i.e., the Firefighters, and Service Workers. Furthermore, the City asks the Fact-Finder to consider that their proposal, i.e., four percent, is in line with the 2002 wage settlement agreements statewide and in the Mount Vernon region which are 3.86% and 3.87% respectively. It also must be noted that of what little turnover the bargaining unit experienced over the last three years, none of it appears to have been as a result of any officers going to one of the competing department which the bargaining unit uses as its comparables.

One might argue that if a political subdivision has sufficient funds, as certainly this one does, then any sought after wage

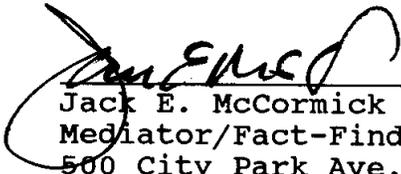
increase ought to be provided. However, just because taxpayer funds are available should not automatically mean that those funds should be used to fund a factually insupportable position.

This Fact-Finder therefore finds as a matter of fact that there are insufficient facts to support the Union's wage increase request of five percent per annum. Such a wage increase would provide the bargaining unit with wage increases totalling 15.76% over the life of the contract. The Fact-Finder finds as a matter of fact that there is no factual basis for such a large increase based on projected inflation, the turnover rate of this bargaining unit, nor the significant impact it would have on this City's continuing financial stability.

FINDING OF FACT

This Fact-Finder finds that there is a factual basis for a wage increase for the bargaining unit in the amount of four percent (4%) for each year of the contract retroactive to January 1, 2003.

Accordingly, the Fact-Finder recommends that Appendix A of Article 33 reflecting the base wages of the Mount Vernon Police Department be modified from the current contract to reflect annual wage increases for all the bargaining unit employees in the amount of four percent (4%) per annum beginning January 1, 2003 and ending December 31, 2005.



Jack E. McCormick
Mediator/Fact-Finder
500 City Park Ave.
Columbus, OH 43215
614-221-2718

March 3, 2003
Columbus, Ohio

CERTIFICATE OF FILING

I hereby certify that the foregoing Report of Fact-Finder was sent by regular U.S. Mail, postage prepaid, this 3rd day of March, 2003, to the following:

Dale Zimmer
Administrator, Bureau of Mediation
State Employment Relations Board
65 East State Street, 12th Floor
Columbus, Ohio 43215-4213

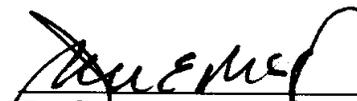
Michael J. Underwood, Esquire
Porter, Wright, Morris & Arthur
41 South High Street
Columbus, Ohio 43215

Counsel for the City of Mount Vernon

and

Dennis E. Sterling
Fraternal Order of Police
Ohio Labor Council
222 East Town Street
Columbus, Ohio 43215

Representative for the Union



Jack E. McCormick
Fact-Finder

March 3, 2003
Columbus, Ohio