

STATE EMPLOYMENT
RELATIONS BOARD

2005 JAN 20 A 11: 51

IN THE MATTER OF FACT-FINDING

BETWEEN

OHIO PATROLMEN'S BENEVOLENT ASSOCIATION

AND

CITY OF CORTLAND

BEFORE: Robert G. Stein

SERB CASE NO. 04 MED 03 0293

PRINCIPAL ADVOCATE FOR THE UNION:

Jeff Perry, Business Agent
OHIO PATROLMEN'S BENEVOLENT ASSOCIATION
10147 North Royalton Road, Suite J
P.O. Box 338003
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and

PRINCIPAL ADVOCATE FOR THE TOWNSHIP:

Patrick Wilson, Law Director
CITY OF CORTLAND
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INTRODUCTION

The bargaining unit is represented by the Ohio Patrolmen's Benevolent Association and is comprised of eight (8) full-time Patrol Officers in the City's Police Department. In addition to the eight (8) officers in the bargaining unit, the Department has a full-time Police Chief and one Captain. The City is Cortland is a small city (population 6,830) located in northern Trumbull County. It became a city in 1980. The Police Department's funding is based upon the revenues from a police levy. The Fire Department is funded by its own levy. The City has no income tax. There are approximately six employers within the City limits who employ small workforces.

After extensive negotiations that included approximately seven (7) negotiations sessions the parties were able to resolve most, but not all of the issues before them. A total of five (5) issues went to fact-finding: personal leave, wages, me-too clause, uniform allowance, and insurance. At the hearing the parties reached tentative agreement over the issue of uniform allowance.

The remaining issues shall be subject to review and recommendation by the fact-finder. Both Advocates represented their respective parties well and clearly articulated the position of their clients on each issue in dispute. In order to expedite the issuance of this report,

the Fact-finder shall not restate the actual text of the parties' proposals on each issue, but will instead reference the Position Statement of each party. The Union's Position Statement shall be referred to as UPS and the Employer's Position Statement shall be referred to as EPS.

CRITERIA

OHIO REVISED CODE

In the finding of fact, the Ohio Revised Code, Section 4117.14 (C)(4)(E) establishes the criteria to be considered for fact-finders. For the purposes of review, the criteria are as follows:

1. Past collective bargaining agreements
2. Comparisons
3. The interest and welfare of the public and the ability of the employer to finance the settlement.
4. The lawful authority of the employer
5. Any stipulations of the parties
6. Any other factors not itemized above, which are normally or traditionally used in disputes of this nature.

These criteria are limited in their utility, given the lack of statutory direction in assigning each relative weight. Nevertheless, they provide the basis upon which the following recommendations are made:

ISSUES 1 PERSONAL LEAVE

Union's position

SEE UPS

Employer's position

SEE EPS

Discussion

Although there are only eight (8) officers in the bargaining unit, the Union stated the City has difficulty in consistently providing information to bargaining unit members regarding their current personal leave balances. The City argues it is small enough that this information can be readily asked for and responded to in a timely manner (e.g. See City Ex. 1). The City further states that having to provide current balance information to the Union may have a detrimental effect on payroll processing.

The City stated it was going to implement new payroll software sometime in 2005. Although what the Union is requesting is not

unreasonable, the fact that the City is going to change its finance software in 2005 is a major factor in this type of request. It is unreasonable to impose any reporting requirements on the Finance Director until the new system is working properly. Until that time, the evidence indicates the Finance Director is willing to respond to any requests for information from bargaining unit members regarding personal leave balances.

Recommendation

No new language at this time

ISSUES 2 WAGES

Union's position

SEE UPS

Employer's position

SEE EPS

Discussion

During the last two contract periods, the bargaining unit has received wage increases that have exceeded the state average for police departments. The two fact-finders who recommended the above

average increases during these contract periods cited the relatively low wages of Police Officers in Cortland versus other public jurisdictions in Trumbull County. The wages increases averaged 4.4%. It is also noted that other city bargaining units were also able to negotiate above state average wage increases during this period, which in some years exceeded the police unit raises. It is reasonable to assume that the rationale for above average increases to other city employees was based on a perception of inequity in Trumbull County or in other comparable jurisdictions.

The City is offering a total of 6% in wage increases over the next three (3) years. Over the same period of time the Union is asking for increases of 14%. The parties have agreed that any base rate wage increases shall be retroactive until July 1, 2004. The Union contends what it is asking for represents the same increases recommended by fact-finder Gardner in the last round of negotiations. The problem with this argument is that there is a substantial difference in Ohio's economy from 2001 to 2005. In the past two to three years there has been a dramatic loss of manufacturing jobs in Ohio, which was highlighted in the last presidential election. The loss of jobs alone and the recession that accompanied them have created a financial crisis in many of Ohio's counties, cities, and other governmental entities. That crisis is still playing itself out in the form of reduced funding to local governments and in many cases layoffs. The

state of Ohio is also facing a revenue shortfall as it approaches the next biennium.

Based upon the financial data provided at the hearing, it appears the City of Cortland has thus far avoided some of the dramatic cuts other cities are already facing. In many of these cities, contracts are being settled that include no salary increases in one or more of the years of their agreements (e.g. Alliance, Canton, North Olmsted). However, Ohio's depressed economy has brought about a lowering of wage settlements. The last six years of wage increases well above 4% have brought Patrol Officers very near the average police officer salary for Trumbull County, particularly when other forms of compensation are considered.

The City contends that funding from the Police levy is inadequate to meet the Union's wage demands. It also argues that the funding for increases has always come from the Police Levy without a need to use any general fund money. The President of City Council, Diana D. Sweeney, stated that a city income tax has been studied several years ago, but was shelved as being punitive and impractical. In the most recent round of negotiations, another city bargaining unit, represented by AFSCME, agreed to the equivalent of a 9.5 % increase (in cents per hour) from 2004 through 2007. This contract was frontloaded with a \$1.00 per hour increase in the first year of the agreement, which enhances its value for bargaining unit members.

Internal comparables carry considerable weight in these types of matters. A wage adjustment in the 3% range currently represents a very reasonable increase in Ohio's public sector, and is consistent with the overall lowering of wage increases in Ohio's recovering economy. However, the data provided by the Union demonstrates that a one time modest equity adjustment is warranted based upon comparables. Moreover, I find such an adjustment can be accomplished within the parameters of the frontload of the AFSCME agreement.

The average salary increase (including other monetary allowances) for all jurisdictions that have reported in Trumbull County in 2004 is 3.64%. Given the trends in salary settlements for the next three years of which this neutral has been directly involved or has observed, it is reasonable to conclude that an overall increase of 10%, frontloaded in a manner similar to the AFSCME contract, will place Patrol Officers in the City at the Trumbull County at the average of all jurisdictions in Trumbull County (Union Ex. 3). As pointed out by the Employer, several of the jurisdictions in Trumbull County have an industrial base, an income tax, and significantly larger population. Therefore, for a city the size of Cortland, which is devoid of any of these advantages, providing salaries that meet the average for Trumbull County is a reasonable measure of competitiveness.

Recommendation

Section 1. Effective July 1, 2004, all bargaining unit members shall be compensated, under a step program as follows: (includes a 4% General Wage Increase retroactive to July 1, 2004).

Starting Step	\$14.01
After 1 year step	\$15.42
After 2 year step	\$16.81
3rd year regular base step	\$17.75

Section 2. Effective July 1, 2005, all bargaining unit members shall be compensated, under a step program as follows: (includes a 3% General Wage Increase)

Starting Step	\$14.43
After 1 year step	\$15.89
After 2 year step	\$17.31
3rd year regular base step	\$18.29

Section 3. Effective July 1, 2006, all bargaining unit members shall be compensated, under a step program as follows: (includes a 3% General Wage Increase)

Starting Step	\$14.86
After 1 year step	\$16.36
After 2 year step	\$17.83
3rd year regular base step	\$18.83

ISSUES 3 WAGES "ME TOO CLAUSE"

Union's position

SEE UPS

Employer's position

SEE EPS

Discussion

The City's agreement with AFSCME for a "me too" clause begs the question as to why it is reluctant to consider this same protection for the police unit. While it is clear the funding sources of these two bargaining units is different, that does not change the commonly accepted principle of maintaining approximate parity among all city workers, including non-union workers. Ironically, the AFSCME unit received higher percentage increases in wages during the past three years than did the Patrol Officers' bargaining unit, and they are the first unit to gain a "me too" clause. In order to maintain an overall sense of fairness in wage allocation, I find the fact the City negotiated a "me too" clause with the AFSCME unit to be persuasive in this matter. This is particularly true in that the only remaining unit in the City is another safety unit, which also depends upon a levy for its support.

Recommendation

New Article

The City agrees to reopen negotiations as to the contract rate of pay set forth in Article 29, COMPENSATION, within 30 days of an agreement with any other City union that includes a contract rate increase in excess of 10 percent over the 3 years of the Ohio Patrolmen's Benevolent Association Contract.

ISSUES 4 INSURANCE

Union's position

SEE UPS

Employer's position

SEE EPS

Discussion

The Employer is proposing a \$100 per month payment to employees who do not enroll in the insurance program. The Union approaches this issue differently. It proposes that the Employer pay employees 35% of the COBRA rate. In the last round of bargaining the IAFF bargaining unit received a \$75 per month payment. The current COBRA rate for single coverage is \$285.60 and it ranges up to a maximum of \$782.34 for the

most expensive family coverage (City Ex. 7). The Union's proposal would cost \$1650.41 per month, and the Employer's estimated maximum would cost \$800 per month. The difference is \$10,204.92 per year. The purpose of this type of payment is to encourage people to avoid "double dipping" of coverage, thereby engendering unnecessary costs (providing the coverage of City plan is similar or inferior to the outside plan).

In the current collective bargaining agreement with the Fire Fighters, the City negotiated a payment of \$75 per month for waiving health care coverage. Because health care premiums are likely to go up over the next three years, it is expected that this payment may likely be raised in kind in order to maintain its relative value. The City is proposing a payment that exceeds the payment to the Fire Fighter unit by approximately 33%. I find the City's proposal is of sufficient value to discourage double dipping while providing a meaningful monetary benefit of \$1200.00 per year to Patrol Officers who are fortunate enough to have access to other health care coverage.

Recommendation

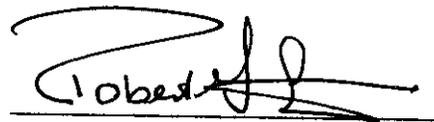
Article 37 Section 6

In the event the employee chooses to opt out of the City's health plan, s/he may do so only on the policy anniversary date. Every employee who chooses to opt out of the City's health plan shall provide proof of insurance from another source and shall receive \$100 per month payable in the pay period that includes the policy's anniversary date.

TENTATIVE AGREEMENTS

During negotiations, mediation, and fact-finding the parties reached tentative agreements on several issues. These tentative agreements are part of the recommendations contained in this report.

The Fact-finder respectfully submits the above recommendations to the parties this 18th day of January 2005 in Portage County, Ohio.

A handwritten signature in black ink, appearing to read "Robert G. Stein", written over a horizontal line.

Robert G. Stein, Fact-finder