

APPOINTMENT

This Fact-finder was appointed by letter dated September 3, 2004, from the Ohio State Employment Relations Board. Pursuant to the appointment, this Fact-finder was bound to conduct a Fact-finding Hearing and to serve on the Parties and SERB his written Report and recommendations on the unresolved issues. Subsequent to the appointment, the Parties agreed to an extension such that the Fact-finder was to serve the Parties with a written Fact-finding Report no later than October 19, 2004. Accordingly, the Fact-finder scheduled and conducted the Fact-finding Hearing as above noted. The Parties waived the provisions of 4117.14(G)(11) in regard to all matters of compensation or with cost implications which may be awarded by a Conciliator in accordance with Chapter 4117 O.R.C. and agreed that the Conciliator may award wage increases or other matters with cost implications to be retroactive to July 1, 2004.

BACKGROUND -- THE CITY

The City is located in Southwestern Ohio, in southern Montgomery County. Adjoining Counties are in part: Miami (north), Greene (east), and Warren (south). The legislative powers of the City are vested in a council of seven members. The Council appoints the City Manager. The Mayor is elected separately. The City provides a range of public services, including: police protection; fire and emergency medical services; water supply and treatment; wastewater collection and treatment; refuse collection and disposal; street maintenance and repair; parks and recreation; economic development; planning and zoning; municipal court operations; and, general administrative services. The City covers 11.3 square miles and includes approximately 125 lineal miles of roadway.

The 2000 U.S. Census report indicated that the City's population increased 9.3% during the 1990s to 19,489. In 2000, a joint study by *Ohio Business* magazine and Cleveland State University listed the City as number 33 (out of 50) of Ohio's Growth cities. The study reported that the City's labor force in 2000 was 9,530, with a median annual household income of \$48,316 (ranking 21 out of 50). For growth cities within the Miami Valley, the report listed the City fifth (out of 20). This listing included cities from Montgomery, Miami, Greene, Warren, Butler, Clark, and Hamilton counties. The City has the lowest labor force number (9,530) with all others between the City and 29,337 (Kettering) with the exceptions of Dayton (69,126) and Cincinnati (150,574). The City employs approximately 185 full-time employees, including 41 bargaining unit employees -- 33 Police Officers and 8 Public Service Officers (Dispatchers) (City Exhibits 16 & 27; Union Exhibit 35).

In 1991, the U.S. announced that the City's then largest employer (the Mound) would close, with a multi-year site cleanup to follow. Initially, the site contractor employed about 2,100 employees, declining to about 400 as of the end of 2003. The percentage of General Fund revenues represented by the contractor decreased from 17% in 1991 to 3% in 2003.

Growth and development in Miamisburg outside the Mound facility has more than offset the job losses within the facility. New jobs have been created in the City through concentrated efforts to attract light industrial, retail and service sector employers." (City's Comprehensive Annual Financial Report, 12-31-03, pp. viii-ix)

Major employers now include: Kettering Medical Center, Paxar Corp, Dayton Superior, Huffy Corp., and the Miamisburg City School District, among others.

Our local government completed 2003 with a general fund budgetary deficit of approximately \$1.0 million. Contributing factors included decreasing interest income, a sluggish national economy, continuing increases in health care expenditures, declining revenues from the Mound facility and a freeze in Local Government Funds from the State of Ohio. * * * The 2004 budget . . . addresses both of these factors [revenues and expenditures]. On the expenditure side, Council made several staffing adjustments . . . and reduced the City's travel budget by 50%, except where it pertains to public safety training. On the revenue side, Council agreed to implement two new resident user fees. One of these is a \$12 monthly fee per household for solid waste collection services, while the second is [an EMS fee for residents]. (City's Comprehensive Annual Financial Report, 12-31-03, pp. xi-xii)

BACKGROUND -- THE ECONOMY

The economy (national and local) is a constant and important topic in Fact-finding. This one is no exception. The following are selected excerpts from general economic information furnished by the parties. -- and by this Fact-finder. These excerpts are presented to give the reader a quick sense of the current uncertainty and differences of opinions regarding the current economic situation.

TAKEN FROM CITY EXHIBITS ("CE"):

CE10 -- Analysts' opinions on rates varied, *USA Today*, September 20, 2004

- Following an inflation scare earlier this year, recent inflation readings have suggested price pressures have abated. For the three months ended in August, the consumer price index was up at a seasonally adjusted, annual rate of 1.3%, down from 5.5% in the three months ended in May.
- Following sharp gains in the spring, employers have cut back on hiring. Employers added a median 96,000 jobs in the three months ended in August, vs. 324,000 in the three months ended in May.
- Recent data have suggested consumers are becoming more cautious about spending. Retail sales have fallen three of the past five months.

CE11 -- *Employer Bargaining Objectives 2004*, BNA

- Despite an upturn in the U.S. economy toward the end of the 2003, almost as many management representatives reported dim to bleak fiscal results for the year as those who said their organizations would close out 2003 in the black.
- Nearly two-thirds of the responding employers (64 percent) expect to negotiate three year contracts in 2004, up from 55 percent a year earlier but down slightly from 67 percent two years ago.
- This cautiousness is evidenced by a sharp drop in reported plans to settle on increases of 3.0 percent or more in the initial year of their new labor agreements. * * * [A]bout one-third of responding employers anticipating that annual adjustments will average 3.0 percent or more over term. Just a few years ago, the balance tilted the opposite way, with 61 percent of employers expecting wage increases to average 3.0 percent or more pr year for contracts negotiated in 2001.
- Contrary to a trend that persisted for several years, . . . management negotiators are now leaning toward reducing or eliminating existing insurance benefits.

CE12 -- *Economic Forecast of the Miami Valley*, National City, August 2004

- Dayton metropolitan area employment in June, 2004 (453,900) was down approximately 4,200 jobs relative to the year before (458,100) and down 26,800 from June, 2001 employment (480,700).
- Note that the forecast is suggesting employment will not recover in the Miami Valley over the last 2 quarters of 2004.
- Retail sales in constant dollars are forecasted to be about 2% above year before levels in the 2nd quarter of 2004 and rise in real terms during the 4th quarter of 2004 and the 1st quarter of 2005.

CE13 -- *Research Report on America's Cities*, City Fiscal Conditions in 2003 -- National League of Cities

- Eighty-six percent of city officials in the Midwest reported deteriorating fiscal conditions.
- Leading the list of factors that increased over the previous year were employee health benefits (cited as increasing by 85% of respondents) and wages (cited by 81%). In addition, around seven in ten city officials cited increases in infrastructure needs (69%) and public safety needs (71%).
- [83%] said employee health benefits were having a negative effect. The next highest vote getter in the negative category was employee wages (74%), followed by public safety needs (66%), infrastructure needs (65%), prices and inflation (63%), and

employee pensions (61%).

- The health of the economy was cited as a negative factor by 50 percent of city officials, while only 14 percent said it had a positive effect. At the same time, more than six in ten respondents (62%) said the local tax base had a positive effect on their ability to meet their cities' overall needs, suggesting that the continued strength of the real estate and property markets provided a lifeline for city finances even as the economy turned sour.
- When city officials were asked to identify three items that had "the most negative impact" on their ability to meet city needs, the top vote-getters were: costs of city workers' health benefits (cited by 63% of respondents); the costs of city workers' pensions (30%); reduction in state aid (29%); the strength of the local economy (25%); and infrastructure needs (25%).

CE22 -- *Hewitt News & Information*, October 13, 2003

- [T]he average employee contribution for 2004 is projected to be \$1,565, representing 22 percent of the overall health care premium, and up from \$1,276 in 2003.
- The good news is that we expect health care costs will begin to moderate over the next few years. The bad news is that companies should still expect 9 to 14 percent rate hikes, said Jack Bruner, national health care practice leader, Hewitt Associates.
- The primary and most effective way companies are managing cost increases is by re-evaluating employee contributions and out-of-pocket costs.

TAKEN FROM UNION EXHIBITS ("UE"):

UEA -- *Research Bulletin*, The Government Finance Officers Association, Unreserved Fund Balance and Local Government Finance, September 1990

- Sufficient levels of unreserved [general] fund balance . . . can ensure the continued orderly operation of government and provision of services to residents and the continued stability of the tax structure.
- Taxpayer advocates argue * * * little or no unreserved fund balance. * * * Spending advocates argue . . . better spent on some public good or service.
- Determining the appropriate size of unreserved fund balance . . . is one of the more formidable tasks facing local government finance officers and elected officials. Clearly, what is an adequate level of unreserved fund balance for one jurisdiction, given its particular financial and economic characteristics, may not be adequate for another.
- The level of fund balance that an analyst would like to see is directly related to the likelihood of the government being forced to call upon those resources.

- Fund balance that decreases in size from year to year is sometimes seen as a problem and as an indicator of fiscal weakness.

- Traditionally, two methods have been used by finance officers in determining the appropriate size of unreserved fund balance:

 - Allocating financial resources equal to a percentage of annual operating expenditures;

 - Allocating financial resources equal to a certain number of months' operating expenditures.

- A common standard of measuring unreserved fund balance . . . holds that an amount equal to 5 percent of annual operating expenditures is sufficient . . .

- Other governments utilize a different method * * * the equivalent of one month's operating expenditures (equal to 8.3 percent of annual operating expenditures) appears to be widely used, two [16.6%] to three [25%] or more is not uncommon.

- This evaluation will involve an analysis of past experiences . . . and an estimate of the degree of uncertainty currently faced by the government in question. * * * [T]he determination of the appropriate level . . . is an art, not a science. * * * [N]o nationally uniform standard exists . . .

UEDD -- Employers' health care costs start to moderate -- 2003

- [M]ercer Human Resource Consulting said the jump in the average cost of providing health benefits for an active employee in 2003 was less than originally expected - 10 percent instead of 14 percent. But that's because when employers were faced with another year of sharp increases, they searched for ways to save money and succeeded by passing more costs on to employees.

UER -- Residents to start paying for trash, EMS services, *Dayton Daily News*, December 25, 2003

- Miamisburg - City Council has approved total appropriations of nearly \$43.8 million for 2004, with a plan to offset a projected \$792,285 operating deficit partly by increasing revenues through fees for trash collection and emergency medical services. * * * [C]harged \$12 per month for trash pickup . . . The average fee charged by communities in Montgomery County is \$12.68. [E]MS fees would permit the city to bill private medical insurance carriers, Medicare or Medicaid for runs for residents.

UED -- *MMCIC breaks ground on Mound 'flex' building*, 2003-04

- [B]roke ground . . . on a new 24,000-square-foot "flex" building . . . * * * The 306-acre Mound site is . . . being redeveloped as a private industry and technology park. * * * Currently, some 170,000 square feet of space is under lease . . . The site is home to 27 businesses with 325 employees.

UED -- *ED/GE grant will help business come to Miamisburg, 2003-04*

- Digital Controls Corp. [relocation] * * * will bring about 50 new jobs to . . . the city of Miamisburg.

UED -- *CH2M awarded Mound contract, 2003-04*

- [W]e will accelerate the Miamisburg cleanup from a completion date of 2009 to no later than 2006.

UED -- *Forecast 04 - Community Profiles, Dayton Daily News, March 28, 2004*

- Key officials in Miamisburg are most excited about the proposed Austin Road I interchange [T]he project is to be finished in 2008. * * * [A]lso excited about another venture that will bear fruit even sooner. The city's Southpointe Business Park, currently being developed in Miamisburg * * * The site could generate up to a thousand new jobs.

UEE -- *Wages in Valley up 5.3% in 2003, Dayton Daily News, April 29, 2004*

- The average wage for workers in the Dayton-Springfield area was \$19.06 per hour in 2003, up 5.3 percent from 2002. . . . White-collar workers averaged \$22.26 per hour and accounted for 51 percent of the workers Blue-collar workers averaged \$17.46 per hour and represented 32 percent of the local work force. Service occupations, representing 17 percent of the local work force, earned an average \$11.87 per hour . . . * * * The survey covered 309 companies representing 215,000 workers in Clark, Greene, Miami and Montgomery counties.

UEE -- *Economy grows at 4.4 percent rate in first quarter, Daily Reporter, May 28, 2004*

- The economy grew at a 4.4 percent annual rate in the first quarter of this year, slightly faster than previously thought and fresh evidence that the recovery possessed good momentum as it headed into the current quarter.

UEE -- *Leading index indicates expansion, The Plain Dealer, June 18, 2004*

- [T]he Conference Board said its Composite Index of Leading Economic Indicators increased 0.5 percent to 116.5 in May following a 0.1 percent rise in April. The closely watched gauge suggests the U.S. economy will continue expanding into the fall.

UEE -- *Average raises for 2004 expected to be 3.5 percent, The Columbus Dispatch, June 24, 2004*

- U.S. business are, on average, increasing their salary budgets by 3.5 percent for 2004, the same level as last year's forecast, according to a survey from the Conference Board [I]t would mark the second time in 11 years that salaries advanced under the 4 percent mark. The expected salary gains for 2005 also are expected to come in below 4 percent The Conference Board said it's projecting a 2.2 percent increase in inflation for 2004, although it expects a 2.7 percent increase over the next year, suggesting a smaller real advance in salary for 2005.

UEZ -- Miami Twp. police get new contract -- *Dayton Daily News* -- September 9, 2004

- The contract grants the police a 4.5 percent increase in each of the first two years of the contract and a 4 percent increase in the final year. . . . * * * [T]he increases bring the township's pay to the level of comparable police departments.

UEE -- Strong recovery to continue through 2005, top economist says during Columbus visit, *The Daily Reporter*, September 24, 2004

- The U.S. economy should exhibit strong rates of expansion for the rest of 2004 and through 2005, according to Kenneth Mayland, one of the nation's top economists. * * *
* "We are due for a long run of above average growth. * * * My conclusion is . . . 2004 will be a year of strong growth, and it will continue into 2005."

TAKEN FROM FACT-FINDER RESOURCES:

Employers Plan to Shift More Health Costs to Workers to Control Increases, Survey Says, *Human Resources Report*, BNA, September 6, 2004

- Employers are taking steps to cut health benefits and keep their average health cost increase to just under 10 percent for 2005, according to a survey issued Aug. 26 by Mercer Human Resource Consulting. Mercer said the survey results suggest that there will more cost-shifting to employees in the next year, especially among small employers, such as boosting use of in-network deductibles and increasing physician office co-payments.

U.S. Cities Are Mired in Fiscal Woes, *The Wall Street Journal*, September 21, 2004

- While economists have said the U.S. recession ended in late 2001, a fiscal recession continues in America's cities, according to the latest annual survey by the National League of Cities. The survey of finance directors from 288 cities found that 63% said their cities were less able to meet financial needs during their fiscal 2004 than in the previous year. Looking ahead, 61% said their cities will be less able to meet financial needs in 2005 than in 2004.
- The fiscal officers blamed rising costs for employee health benefits, wages, public safety, increased infrastructure needs and employee pensions. The cities' revenues aren't keeping pace with their increased expenses. Cities' 2004 budgets predicted general-fund revenue increasing 2.6% from 2003, with general-fund expenditures expected to rise 3.6%.
- The survey found that 32% of cities reduced the size of their city work force. . . . The increased pessimism of the cities' finance officers was most pronounced in the West and Midwest, with 75% and 74% respectively, reporting deteriorating conditions, compared with 59% in the Northeast and 43% in the South.

Fed pushes rates up again, *Dayton Daily News*, September 22, 2004

- With the economy moving ahead and the nation's payrolls picking up a bit, Federal

Reserve policy-makers boosted short-term interest rates for a third time this year - but left economists split about when the next increase might come. * * * In another encouraging note, the Fed said, "Labor market conditions have improved modestly."

Leading indicators decline for 3rd month, *Dayton Daily News*, September 24, 2004

- The Conference Board said Thursday its Composite Index of Leading Economic Indicators fell 0.3 percent in August to 115.7, following a decline in of 0.3 percent in July. The August reading was the third month of decline . . . after more than a year in which it gained steady ground. * * * Three consecutive months of a decline in the index generally are considered to mean the economy is weakening.

- While the new reading is cause for concern, it comes as other evidence shows the economy is growing at a modest pace. . . . "It looks like the softness in the leading index is sort of a caution flag on the economy, but its not a red flag at this point, said economist Gary Thayer."

Rising Labor Costs at Work in Profit Slump, *The Wall Street Journal*, September 27, 2004

- Meanwhile, with the unemployment rate falling and the job market getting a little tighter, the fortunes of workers themselves show signs of improvement. Hourly earnings of non-supervisory and production workers - about four-fifths of the overall work force - rose in August to \$15.77, up five cents, after a six-cent increase the month before. It was the largest back-to-back gain in wages in two years and a sign that wage growth is starting to accelerate after a three-year slowdown.

Consumer confidence unexpectedly dips in September, *Dayton Daily News*, September 29, 2004

- Continued job worries resulted in an unexpected decline in consumer confidence in September, the second consecutive monthly dip, a New York-based private research group said Tuesday. The consumer confidence Index fell to 96.8 "Soft labor market conditions have clearly taken a toll on consumer confidence," said Lynn Franco, director of the organization's Consumer Research Center." * * * The confidence index, which was as high as 144.7 in May 2000 when the job market was flourishing, has been volatile since the economy emerged from recession in November 2001. * * * [M]ark Vitner, senior economist at Wachovia Corp. * * * He noted that the main index is still close to a reading of 100, which is the benchmark for "normal economic times." "It's not that things are bad. They're just not great," said Vitner, "We're in an in-between mode."

- Job growth slowed dramatically in July - a meager 32,000 jobs were added - but rebounded in August, when the economy added 144,000 jobs.

Latest Data Show Stronger Economy in Second Quarter, *The Wall Street Journal*, September 30, 2004

- The Commerce Department said the nation's gross domestic product - the broadest measure available of the output of goods and services - rose at a 3.3% seasonally

adjusted annual rate from April to June, after accounting for inflation. * * * It still represents a slowdown from growth rates in excess of 4% in the four previous quarters. But it took some edge off rising worries about the economy's momentum. At 3.3%, the pace of activity in the second quarter was only slightly below the economy's long-run trend, recorded since 1930, of 3.5% growth annually.

- Nationwide, income rose 1.5% in the second quarter, which was the fastest pace of growth in more than three years.

PRIOR NEGOTIATION/MEDIATION

Prior Negotiation/Mediation: The City and Union met on August 6, 17, 25, 26, 2004. A full day of mediation was conducted on September 9, 2004, wherein some issues were settled and some were withdrawn.

Issues Resolved by the Parties' Prior Agreement: Agreement was reached regarding all issues brought to the table by either Party -- other than those that are the subject of this Fact-finding Report.

Mediation During the Fact Finding: Further mediation was offered prior to the start of the Fact-finding Hearing, however, both Parties believed that mediation efforts had been exhausted on September 9, 2004, so no additional mediation was conducted on September 28, 2004.

Issues Remaining at Impasse: The following issues were identified by the Parties in their Pre-hearing Position Statements as unresolved:

ISSUES

ISSUE 1: WAGES -- ARTICLE 10 -- WAGE SCHEDULE

UNION'S ECONOMIC PROPOSAL

POLICE OFFICER

(7/1/04 - 6/30/05)						
	Step A	Step B	Step C	Step D	Step E	Step F
Mos.	0-12	13-24	25-36	37-48	49-60	61+
Hour.	\$19.72	\$20.84	\$22.02	\$23.28	\$24.57	\$25.97

(7/1/05 - 6/30/06)						
	Step A	Step B	Step C	Step D	Step E	Step F
Mos.	0-12	13-24	25-36	37-48	49-60	61+
Hour.	\$20.51	\$21.68	\$22.91	\$24.21	\$25.55	\$27.01

(7/1/06 - 6/30/07)						
	Step A	Step B	Step C	Step D	Step E	Step F
Mos.	0-12	13-24	25-36	37-48	49-60	61+
Hour.	\$21.33	\$22.55	\$23.82	\$25.18	\$26.57	\$28.09

[This Fact-finder computes the rates of proposed increases for POs to be as follows: 3.5% (first year); 4.0% (second year); 4.0% (third year).]

PUBLIC SERVICE OFFICER

(7/1/04 - 6/30/05)						
	Step A	Step B	Step C	Step D	Step E	Step F
Mos.	0-12	13-24	25-36	37-48	49-60	61+
Hour.	\$15.08	\$16.09	\$17.11	\$18.12	\$19.13	\$20.14

(7/1/05 - 6/30/06)						
	Step A	Step B	Step C	Step D	Step E	Step F
Mos.	0-12	13-24	25-36	37-48	49-60	61+
Hour.	\$15.68	\$16.73	\$17.79	\$18.84	\$19.90	\$20.95

(7/1/06 - 6/30/07)						
	Step A	Step B	Step C	Step D	Step E	Step F
Mos.	0-12	13-24	25-36	37-48	49-60	61+
Hour.	\$16.31	\$17.40	\$18.51	\$19.60	\$20.69	\$21.78

[Note: The Union's proposal for PSOs reflects changing the number of steps from seven (A

through G) to six (A through F). Comparing the prior Step A to the proposed Step A hourly wage, and comparing the prior Step G to the proposed Step F for the first year of the Union's proposal, this Fact-finder computes the respective proposed rates to be: 4.5% (Step A) and 3.5% (Step F). Further, this Fact-finder computes the rates of proposed increases for the subsequent two years to be as follows: 4.0% (second year); 4.0% (third year).]

CITY'S ECONOMIC PROPOSAL

Year 1 -- 2.25%

Year 2 -- Reopener -- or -- 2%

Year 3 -- Reopener -- or -- 2%

[The City prefers 2.25% with a reopener for years 2 and 3.]

Step A remains "as is" in PSO Wage Scale

ISSUE 2: WAGES -- ARTICLE 10 -- NEW SECTION 11 -- LONGEVITY

UNION'S ECONOMIC PROPOSAL

Section 11. Effective July 1, 2004, employees with continuous service with the City of Miamisburg will be eligible for annual longevity payment according to the following schedule:

- Employees who have completed five (5) years, but less than ten (10) years of continuous service on or before November 1 of calendar year 2004, will receive a payment of one and one-quarter percent (1.25%) of their base salary.
- Employees who have completed ten (10) years, but less than fifteen (15) years of continuous service on or before November 1 of calendar year 2004, will receive a payment of one and one-half percent (1.50%) of their base salary.
- Employees who have completed fifteen (15) years, but less than twenty (20) years of continuous service on or before November 1 of calendar year 2004, will receive a payment of one and three-quarters percent (1.75%) of their base salary.
- Employees who have completed twenty (20) years of continuous service on or before November 1 of calendar year 2004, will receive a payment of two percent (2%) of their base salary.

The above payment shall be paid in a lump sum on the second payday of November 2004, 2005 and 2006.

CITY'S ECONOMIC PROPOSAL

Reject; no current benefit exists citywide.

ISSUE 3: HEALTH INSURANCE -- ARTICLE 14

CITY'S ECONOMIC PROPOSAL

- a. Employee premium share increases from 7 1/2% to 10%, effective July 1, 2005.
- b. Reopener on health insurance in year two or three if increase from 7 1/2% to 10% is not recommended by Fact-finder.

UNION'S ECONOMIC PROPOSAL

That this entire Article remain at current contract language.

ISSUE 4: UNIFORM ALLOWANCE -- ARTICLE 15 -- SECTION 1

UNION'S ECONOMIC PROPOSAL

Section 1. The Police Officer's uniform allowance will be \$650.00 effective July 1, 2004; \$750.00 effective July 1, 2005; and \$850.00 effective July 1, 2006.

Section 2-6. No change.

CITY'S ECONOMIC PROPOSAL

Increase benefit in year 2 by \$50 to equal the benefit of Sergeants.

ISSUE 5: DISCIPLINARY PROCEDURES AND EMPLOYEE RIGHTS -- ARTICLE 21 -- SECTION 3

UNION'S NON-ECONOMIC PROPOSAL

Section 1-2. No change.

Section 3. An employee who has been notified he is under administrative investigation shall be provided with status reports every 14 days. These reports shall contain the status of the investigation (open or closed), the progress of the investigation, any orders that the employee may be required to follow pursuant to the investigation and the results of any testing conducted. [Bold indicates proposed new additional language.] **The investigation of any charge and the notification to the employee of any disciplinary action as a result of the investigation shall occur no more than a total of seventy-five (75) calendar days after the notification to the employee that he or she is under investigation.**

Section 4-12. No change.

CITY'S NON-ECONOMIC PROPOSAL

No change to current contract.

ISSUE 6: JOB ASSIGNMENTS -- NEW ARTICLE

UNION'S NON-ECONOMIC PROPOSAL

Section 1. Effective with the commencement of this Agreement, and thereafter, a notice concerning an available job vacancy, other than short term assignments which are made based on the operational needs of the department within the bargaining unit, shall be posted for a period of seven (7) days to permit interested candidates to apply for the position. No job vacancy will be filled until the posting requirement is complied with. Short term assignments shall be defined for purposes of this Article as no more than 45 days in duration which can be extended for good cause shown by an additional 45 days with notice to the Union.

Section 2. Job assignments under this Article shall be awarded on the basis of merit and fitness and shall include: job performance as determined in the employee evaluation process, work related experience, training and education related to performance of duties of the posted position. If employees are equal in merit and fitness, the position shall be awarded on the basis of seniority.

CITY'S NON-ECONOMIC PROPOSAL

No change or addition to contract.

ISSUE 7: SCHEDULE CHANGES -- ADDENDUM TO AGREEMENT

CITY'S NON-ECONOMIC PROPOSAL

Delete the Addendum [in its entirety].

UNION'S NON-ECONOMIC PROPOSAL

The Union proposes this ADDENDUM remain as part of the Collective Bargaining Agreement pursuant to its current terms.

STIPULATIONS

1. That only the remaining issues before this Fact-finder are in dispute. That previously withdrawn issues or issues agreed to by the Parties be recommended by this Fact-finder.
2. That all contractual and SERB procedures/time frames preceding the Fact-finding Hearing have been met. Therefore, this matter is properly in Fact-finding.

CRITERIA

Pursuant to Rule 4117-9-05(J) State Employment Relations Board, the Findings of Fact and Recommendations presented in this Report are based on reliable information relevant to the issues before the Fact-finder. In making recommendations, Fact-finders shall take into consideration the following:

1. Past collectively bargained agreements, if any between the parties;
2. 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;
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; and,
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.

FORMAT EXPLANATION

Due to the volume of overlapping background materials, financial information, and arguments for and against proposals, submitted by the Parties, the most efficient and understandable format will be to weave the data and arguments presented by both sides into one summary by topic. The following is a summary of significant data, information, and arguments presented during the Fact-finding Hearing.

SIGNIFICANT DATA AND INFORMATION

GENERAL ECONOMIC

The City related that the City's financial challenges include decreasing interest income, the sluggish national economy, continuing increases in health care costs, declining revenues from the Mound facility, and the State's freeze on Local Government Funds. The City finds that projections for the national economy are currently "very mixed." It noted, however, that when the economy does turn around, there is a time lag before additional income taxes flow to cities. The City is very concerned about the economy, and desires to "put the brakes on," *i.e.*, not spending "down to zero," but rather to try to anticipate what is going to happen. The City noted that if there is a turn-around, the City could afford to give a wage increase in excess of 2%. However, if there is not a turn-around, the City's only alternative may be layoffs. The City is insistent that the "brakes" must be applied with this Agreement because this mid-year Agreement will influence other contracts. The Teamster Contract has a reopener in the third year because the City did not want to go into 2005. The Firefighters Contract expires at the end of 2005.

The City noted that there have been some declines in employment in the City, especially as relates to manufacturing. The City said that it is very similar to cities across the U.S. in having difficulty meeting its financial needs for operation and for capital. "Cities are under attack" by the State (reducing inheritance tax, freezing and possibly eliminating the Local Government Fund); by the sluggish national economy (decreasing income tax, low interest rates); and, by the closing of the Mound facility.

In the City's December 31, 2003, Comprehensive Annual Financial Report ("CAFR") it reported that "Some of the more common challenges being faced at various levels of governments are budgetary in nature, and the City of Miamisburg is no different. Our local government completed 2003 with a general fund operating deficit of approximately \$1.0 million. Contributing factors included decreasing interest income, a sluggish national economy, continuing increases in health care expenditures, declining revenues from the Mound facility and

a freeze in Local Government Funds from the State of Ohio."

The primary pressure on expenses is health care cost increases. For the first time (2005 budget) the annual cost for an employee with family coverage will likely cost more than \$10,000. Energy prices, gasoline prices, and the like are also leading the attack on the expense side. The imposition of trash fees and EMS fees was "very painful" on the City's residents, but they were necessary to balance the budget. The trash fee will generate about \$800,000 in 2004, about \$900,000 in 2005, and will be available to help fund the General Fund. The new EMS resident fee will generate approximately \$230,000 in 2004, and \$300,000 in 2005, also for the General Fund.

The 2005 budget appears there will, again, be a shortfall of about \$1 million -- with the continuing sluggish economy that impacts income taxes. The City hopes to avoid layoffs, and continuing to fund the City's operations. The situation worsens, by perhaps another \$500,000 deficit if the State eliminates the Local Government Fund.

The City is continuing its efforts to attract new businesses to the City. However, it has been difficult due to the current state of the national economy. The City does not believe that any improving national economy has yet positively impacted the City or the Miami Valley area. Recently, the City sees mixed reports on whether or not the national economy is improving.

GENERAL FUND

The General Fund is the source of funding for the Police Department. The recent record of General Fund balances is as follows:

General Fund balance at year-end; percentage decline (CE1); and percent of General Fund:

2000	\$4,573,805	
2001	\$4,502,632	-1.6%
2002	\$4,226,565	-6.1%
2003	\$3,243,651	-23.3%
2004 (proj.)	\$3,143,651	-3.1%

General Fund total revenues and expenses (Ann. Fin. Rpts.):

	<u>Revenues</u>		<u>Expenses</u>	
2000	\$11.9M		\$11.4M	
2001	12.4	(+4.2%)	12.4	(+8.8%)
2002	13.4	(+8.1%)	13.6	(+9.7%)
2003	11.5	(-14.2%)	12.5	(-8.1%)
Four year net		(-3.4%)		(+9.7%)

For 2004, Police account for 32% (the largest share for any group of employees) of General Fund expenses. (CE3) The City reinforced its desire to "put the brakes on" wages for this Agreement. Also, due to the timing (mid-year) of the Police Officer/Public Safety Officer ("PO" "PSO") Agreement, the City believes that this Agreement will have significant influence over subsequent calendar year negotiations. The City's other collective bargaining contracts were last settled one or more years ago.

The City characterized the General Fund primarily as an "emergency" fund, also available to be used to offset or supplement the revenues in a given year, in tough times, which the City says has been the case in the past few years. The City stated that, while the fund could be used to help fund wage and benefit increases, preferably wages are funded within the operating budget, and not from the General Fund balance. The City acknowledged that, if needed, the General Fund balance would be used to fund the 3.5% increase granted to the City's non union employees. Overall, the City currently anticipates using \$100,000 for 2004 because revenues will fall short, even with the \$1 million increase.

Income Tax collections during recent years are:

Income Tax collections, percentage increases/decreases, and amounts generated by Mound contractor (CE4):

2000	\$9,656,033		\$730,216
2001	\$9,689,637	+0.3%	\$661,801
2002	\$10,048,818	+3.7%	\$602,433
2003	\$9,994,280	-0.5%	\$516,965
2004 (proj.)	\$9,394,280	-6.0%	\$360,950
2005 (proj.*)	\$9,236,277	-1.7%	\$112,614
2006 (proj.*)	\$9,214,900	-0.2%	\$0

(* Includes a projected 1% increase for taxpayers other than the Mound contractor.)

The Mound contractor historically has been the largest generator of income taxes. However, do to the clean-up winding down, its contributions will end in November 2005. The City finds that the declining income taxes from the Mound contractor cannot be made up.

City Income Tax total receipts to General Fund (Ann. Fin. Rpts.):

	Revenues	
2000	\$6.0M	
2001	6.0	(+0.0%)
2002	6.2	(+3.3%)
2003	6.3	(+1.6.%)
Four year net		(+5.0%)

The City noted that overall, 23% of students in the Miamisburg School District (which partially includes Miami Township) qualify (2003-2004) for free or reduced price meals, being indicative of lower income families included in the City's income tax base.

The City reported that revenues from the Ohio Estate Tax fluctuate considerably from year-to-year. It noted that recent changes in State law lowers the taxable estate for decedents. The City projects that it will be a dwindling source, and may even be eliminated by the Ohio Legislature in 2006. Revenue from Estate Tax (which flows to the General Fund) has been:

Estate Tax revenue (CE7):

2000	\$452,589	
2001	\$656,146	(+44.8%)
2002	\$256,369	(-60.9%)
2003	\$123,806	(-51.7%)
2004	\$332,600	(+168.6%)
Five year net		(-26.5%)

Local Government Funds received from Ohio generally run about \$600,000 per year. The City budgeted for \$550,000 in 2004, but is currently expecting to receive close to \$600,000. The State may well eliminate or reduce such monies paid to local governments. The Ohio legislature has talked about eliminating such payments, especially if the State does not renew the additional one percent sales tax in mid-2005.

The State shares a portion of its receipts with local governments, including the City. However, this source for General Fund revenue is in jeopardy. Recently, the State has reduced local funding. Currently, local funding is frozen by the State due to its budgetary problems. This revenue source will be in further jeopardy if the Ohio Legislature cuts local funding. This might happen if the Legislature repeals (fails to renew) its additional State sales tax. The most risky time will be prior to June 30, 2005, when the current additional tax expires.

Local Government Fund total receipts to General Fund (Ann. Fin. Rpts.):

	Revenues	
2000	\$648.9K	
2001	585.6	(-9.8%)
2002	602.8	(+2.9%)
2003	620.8	(+3.0%)
Four year net		(-4.3%)

The interest that the City earns on funds has also declined recently. The national economy accounts for the declining rates available for investments of funds -- the Fed has cut interest rates for several years. The City's declining interest income has been:

Interest Income revenue (CE9):

2000	\$972,322	
2001	\$874,812	-10.0%
2002	\$716,891	-18.1%
2003	\$639,419	-10.8%
2004	\$590,000	-7.7%
2005 (proj)	\$500,000	-15.3%
Five year net		(-48.6%)

To help offset declining revenues, the City has eliminated or modified (full to part-time) certain positions and programs (CE8). The total savings amount to approximately \$188,756. Further, the City cut travel and training budgets for all General Fund Departments by 50%, except for public safety. Additionally, the City initiated certain fees for services. One, the City imposed a trash removal fee of \$12 per month, and an EMS fee for residents. (Note: the existing EMS fee for non-residents goes to the Fire Levy Fund.) These cost saving and revenue generating efforts resulted in about \$1 million additional General Fund revenues, needed to cover a similar projected deficit, in order to balance the budget.

For the second half of 2004, one-tenth of one percent (over which the City Council has discretion) of the 1 3/4% City income tax, was shifted to the General Fund. Previously the one-tenth of one percent had flowed to the Capital Improvement Fund to help fund capital improvements. The reallocation for the second half of 2004 amounted to about \$250,000. The City projects that the reallocation will also be needed to shift about \$500,000 for the full year of 2005.

Property taxes has been the one bright spot in the City's financial condition. They have been increasing:

Real Property Tax total receipts to General Fund (Ann. Fin. Rpts.):

	<u>Revenues</u>	
2000	\$953.3K	
2001	981.6	(+3.0%)
2002	1,046.1	(+6.6%)
2003	1,177.6	(+12.6%)
Four year net		(+23.5%)

The Union believes that the City has the ability to pay the Union's proposed economic issues, and, in fact, the City has the burden to prove it cannot pay. Further, the Union suggests that the City's ability to pay should not be determined to be limited. It is either able to pay now or it is not. The Union suggests that it can, as evidenced by the 3.5% raise given for 2004 to all non union City employees (UEM).

The Union notes that the current Fact-finding is the fourth in a row for this Bargaining Unit and the City, with the City consistently pleading an inability to pay and a bleak outlook for its future ability to pay. The Union cited the recent history of collective bargaining between these Parties as relates to wage increases. The record of proposals in Fact-finding for the most recent three Agreements, and for the current Fact-finding, are as follows (UEG; Parties' 2004 Position Statements; and, see the Union's wage proposal converted to percentages for the current Fact-finding):

Record of Fact-finding (UEG):

Year	City Proposal	Union Proposal	Fact-finders' Recommendations
1995	2%; 2%; 2.5%	4%; 4%; 4%	3.5%; 3%; 3%
1998	3.5%; 3.25%; 3.25%	4%; 4%; 4%	3.5%; 3.25%; 3.25%
2001	15% package	7%; 5%; 5%	15% package
2004	2.25%*; 2%; 2%	3.5%; 4%; 4%	To be determined

(* City prefers only one year, with a reopener for years two and three. City's alternative for years two and three shown.)

With regard to 1995, the Fact-finder found that the internal comparable (non union City employees) received 3.5% for the comparable first year. Hence, the Fact-finder recommended 3.5% for the first year of the 1995 Agreement. Concerning the 1995 Fact-finding, the City noted that the comparables for those negotiations were not as "challenging" as those used by the City for the current Fact-finding. Regarding the 2001, 15% package granted to the Union, the City said it then was attempting to bring its employees "into the mainstream of folks that we compete with here for employees." The City noted that it is just coming off that increase in the first part of 2004.

The Union noted (UEH) that two City employees received substantially more for 2004 than 3.5%. The Public Information Officer was upgraded by 13.56% and the Environmental Compliance Coordinator was reclassified and the pay range was adjusted upward by 20.35%. The City explained that, as concerns the PIO, the City's Marketing Coordinator position was eliminated and the duties were assigned to the PIO, thus justifying a substantial pay adjustment. Regarding the ECC, the City explained that there were significant changes in the scope of this job, and that the ECC represents the City in the Mound cleanup, thus justifying this adjustment. The Union suggests that cities the size of Miamisburg do not typically employ a Public Information Officer.

The Union presented information regarding the City's other Bargaining Units.

- The current Firefighters Contract (UEI) expires December 31, 2005. For calendar 2004, the Firefighters received a wage adjustment of 3.5%; and, between 4.4% for the first step and 4.2% for the top step for 2005.
- The current Teamsters Contract (UEJ) expires on December 31, 2004. For calendar

2004, the Teamsters received a wage adjustment of 3.5%.

- The current Police Sergeants Contract (UEK) expires on December 31, 2004. For calendar 2004, the Sergeants received a 3.5% increase.

The Union argued that any "catastrophic" financial condition did not stop the City from bargaining more than a 4% increase for the Firefighters in 2005. The City pointed out that the increases cited by the Union for other bargaining units were previously negotiated on a calendar year basis, and that this Union's Agreement is a mid-year contract.

The Union presented evidence that the City has given unique benefits to Bargaining Units to show that the City is not always consistent in granting specific benefits. UEP reflects that the Teamsters receive transportation or mileage for training, and a tool allowance. UEQ reflects that the Paramedics are paid a re-certification incentive that increases from 1 year (\$920) to 5 years (\$1,200).

WAGES

Non union City employees all received a wage increase of 3.5% for calendar 2004, including, without limitation, City Administrators. The percentage increase has remained the same for the last 10 years. For calendar 2005, the City is using 3% for preliminary budgeting purposes for non union City employees.

The city referred to a SERB First Quarter report (CE14) that contained the following information (as compared to the 5% granted to these Bargaining Unit members during the most recent Agreement):

Public Sector Wage Settlements -- Dayton Region:

2000	2001	2002	2003
3.63	3.65	3.56	3.31

The City introduced a 10-year Pay Increase History (CE15) for all City employees. The averages for increases since 2000 are:

Miamisburg All City Employees' Average Increases 1/1/00-1/1/04

Pub. Serv. Officers	4.7
Police Officers	4.6
Police Sergeants	3.9
Firefighters	3.7
Non-Union	3.4
Service	3.4

(Note: includes any step or base adjustments.)

The City argued that the PO's and PSO's "have not been left behind." Rather, the data reflect the City's efforts to keep its public safety forces competitive with mainstream comparables. The City believes that its current wage proposal will keep them in the mainstream. However, the City does not foresee any significant increase to its major source of revenue, *i.e.*, income tax receipts.

The City (CE16) calculates that the unit cost of a 1% wage increase for the POs and PSOs would be \$23,641. Thus, extending the City's computation, the cost for the first year for a 3.5% wage increase would be: \$70,924.

The City noted that during negotiations for the prior Agreement (CE31), the Union and the City agreed to use certain comparable cities. However, both acknowledged that currently there is no such agreement. The City believes that its current comparables (CE17) are challenging. The City's comparables are:

POLICE OFFICER

Comparable	Entry	Top	Effective	CBA End
Centerville	40,622	57,179	(not shown)	(no union)
Vandalia	40,535	54,020	01/02/04	12/31/04
Fairborn	39,042	53,560	06/26/04	06/25/05
Beavercreek	39,749	53,487	01/01/04	12/31/04
West Carrollton	43,160	52,978	12/29/03	12/31/04
Miamisburg	39,645	52,185	07/01/03	06/30/04
Moraine	41,683	52,021	09/01/03	08/31/04
Piqua	41,496	50,980	03/01/03	02/28/04
Springboro	37,261	47,466	12/01/03	11/30/06

PUBLIC SERVICE OFFICER

Comparable	Entry	Top	Effective	CBA End
Centerville	30,264	42,619	not shown	no union
Beavercreek	30,267	42,369	01/01/04	12/31/04
Moraine	34,653	42,245	09/01/03	08/31/04
Miamisburg	30,016	40,468	07/01/03	06/30/04
Fairborn	28,704	49,435	06/26/04	06/25/05
West Carrollton	31,096	40,165	12/29/03	12/31/04
Springboro	28,112	35,811	12/01/03	11/30/06

Additionally, regarding the PSO's, the City noted that the Union's proposal to drop Step A from the PSO's seven-step wage schedule reallocates Step A wages throughout what would then be the first two or three Steps. The City believes that the PSOs will remain in the mainstream without dropping Step A.

The City said that recent Fact-findings for Police have been in the range of 0% to 2 1/2%,

because of the economy. The City presented a portion of a recent Conciliation (CE26) for OCSEA/AFSCME Local 11 (Unit 3) and the State of Ohio, dated April 17, 2003. The City noted that the Conciliator in that case imposed a wage freeze along with a 5% increase in employee contributions for health insurance (from 10% to 15%). The Union argued that this Conciliation is not an appropriate comparable, just as the State of Ohio (with its number of employees and funding sources) is not comparable to the City (and its number of employees and funding sources).

The Union argued that the City's comparables fail to take into account other differences among comparable cities. For example, some other cities pay higher uniform allowances, shift differentials, longevity pay, pension pickups, and fitness incentives. Including these fringe benefits, the Union produced the following comparables (UES & UET):

POLICE OFFICER

Comparable	Top	Additional	Total
Centerville	57,179	6,709	63,888
Kettering	58,771	2,048	60,819
Moraine	52,021	6,996	59,017
Dayton	52,743	2,240	54,983
Vandalia	54,020	600	54,620
Trotwood	51,212	3,070	54,282
Huber Heights	53,624	536	54,160
West Carrollton	52,978	520	53,498
Englewood	50,564	2,529	53,093
Miamisburg	52,185	550	52,735
Riverside	49,462	416	49,878

PUBLIC SERVICE OFFICER

Comparable	Top	Additional	Total
Moraine	42,245	4,418	46,663
Centerville	42,619	954	43,573
Oakwood	41,538	485	42,023
Huber Heights	40,319	403	40,722
West Carrollton	40,165	520	40,685
Miamisburg	40,468	0	40,468

The Union pointed out that the City's Firefighters (UEI) have a paramedic recertification incentive providing benefits from \$920 (1 year after certification) to \$1,200 (5 or more years after certification). Additionally, they have an educational incentive package that could add about \$1,000 to their total wages. The City's Sergeants (UEK) have an educational incentive benefit, and the City's Teamsters (UEJ) have sick leave/wellness incentive pay. The Union further pointed out that some of the City's Administrators have a deferred compensation and an automobile allowance that enhance their total wage packages. Thus, the Union disagreed with the City's use of only base wages for the City's comparables. Finally, the Union discussed that

Bargaining Unit members who leave the City go to the higher paying cities, such as Centerville or Kettering.

The City noted that the recertification benefit is common among Firefighters, that it is a benefit peculiar to Firefighters, requiring a significant number of hours in connection with required recertification, analogous to overtime pay. The City also noted that deferred compensation is a common benefit for executive level employees, is permissible under law, and has nothing to do with these Bargaining Unit members. Regarding employees who leave to take jobs in neighboring cities, the City explained that (CE29) POs and PSOs who have left since 1999 (other than for termination or resignations in lieu) included the following personnel: six were retirements; two left police work; two went to Oakwood (where Officers perform both police and fire work); only four went to other comparable departments -- two to Kettering, one to Centerville, and one to Vandalia. The City does not find that it has a retention problem.

The Union produced UEW, reflecting wage increases for many local community police forces. For 2004 (anytime during 2004) the exhibit shows:

Wage Increases for 2004

City	2004 Increase
Brookville	4.0
Union	4.0
Vandalia	3.5
Englewood	3.5
Huber Heights	3.5
Kettering	3.5
Riverside	2.0

(Additionally, Miami Township, bordering the City, recently negotiated a 4% increase for 2004.)

Regarding the Union's proposal to eliminate one Step from the PSO's Agreement (to go from 7 to 6 Steps -- to match the PO's) the Union presented UEU. It shows the following:

Steps for Public Safety Officers:

City	No. of Steps	How Long
Moraine	5	30 months
Huber Heights	5	48
West Carrollton	6	60
Oakwood	7	54
Centerville	7	72
Miamisburg	7	73

The Union noted that three or four of the City's PSOs are already at top pay, thus there would be no financial impact regarding those PSOs. The Union believes that there is a substantial equity issue between the POs and the PSOs, the latter currently being faced with a longer time period to reach top pay.

The City responds that it is the Step A pay that is the critical factor. It finds that the entry-level base wage is competitive. To eliminate it would constitute an approximate 8.8% increase (5.1% from current Step A to Step B, plus any increase).

The City believes that Miami Township is not a fair comparison because its funding is different from the City's. The City noted that the City of Middletown settled for 2.5% this year. The City said, "It depends on the particular circumstances of the employers. . . ."

LONGEVITY

The Union's proposals include one for longevity pay, as many comparables have -- five in the Union's comparables (UES). The Union suggests that the fact that other City employees do not have longevity pay, is somewhat offset by other benefits (as noted above) that are not enjoyed by these Bargaining Unit members. The Union noted that these Parties have a mature contractual relationship, one that is ready for the introduction of longevity pay. The Union compares longevity to recertification, in that it is a regular and customary benefit in police work.

The City estimated that the approximate cost of the Union's proposal for longevity (three years) is \$57,900 (CE35), using hypothetical wage increases of 3%, 2%, 3%. The City estimates that if there were 0% increases, the longevity benefit would still cost the City \$45,000 - \$48,000. It said that the City has never had a longevity benefit for any of its employees -- and it wants to continue that practice under all circumstances. The City cannot afford the cost, and says that monies should be devoted to wages, where it is "struggling to keep up." Only four of the City's eight comparables provide for longevity -- Beaver Creek, Fairborn, Centerville, Moraine.

HEALTH INSURANCE

The City proposes to increase the employee premium share from 7.5% to 10% -- effective July 1, 2005. The organized Firefighters will begin paying 10% on January 1, 2005. The City's Teamsters Agreement provides that they will go to 10% when everyone else does. As of the date of the Fact-finding Hearing, City Council has not yet increased the percentage for non union City employees from the current 7.5% to 10%, however, the Council has included such an increase in their 2005 budget.

The City has two plans -- HMO and POS (Point of Service). CE21 reflects the premium increases over the past six years, all (excepting one) of which have been double digit. Most recently, if the City had kept the benefit level, it would have been a 16.4% increase. But, the City's Employee Health Insurance Committee recommended some plan design changes that reduced the increase to 11%. During September (2004) the Committee met and determined that trends indicate that the next increase may be in the range of 14-18%. Citywide, health insurance cost increases are second only to wage increases for total cost increases. The City said that it cannot afford to continue absorbing the "lion's share" of the increasing costs. CE21 discloses

that in 2000-01, the monthly premium for single coverage HMO was \$168.58 and single POS was \$179.13. For 2004-05, the same premiums are \$238.28 and \$295.30 respectively. For HMO family coverage, the monthly premium increased from \$468.22 (HMO) and \$489.08 (POS) to \$787.09 and \$806.24 respectively.

The Union noted (UEBB) that the benefit levels of the City's health insurance have changed. For example, some co-pays increased, such as for physician office services and for prescriptions. The Union offered the following comparables (UECC):

Employee Premium Sharing:

City	Insurance -- Single / Family
Dayton	\$10 & \$20 per month
Englewood	10%
Huber Heights	5% not to exceed \$15/pay
Kettering	Employer pays
Moraine	Employer pays
Riverside	10%
Trotwood	10%
Vandalia	\$108/yr / \$260/yr
West Carrollton	10%
Centerville	Employer pays
Miamisburg	7.5%

The Union also cited (UEFF) SERB's 2003, 12th Annual Report on the Cost of Health Insurance in Ohio's Public Sector. It reports, in part:

Level of Employee Premium Contribution [Ohio Public Sector]

Employee Contribution	Single % of Plans	Employee Contribution	Family % of Plans
No Payment	40	No Payment	30
\$.01-\$9.99	4	\$.01-24.99	6
\$10-\$19.99	12	\$25-\$49.99	14
\$20-\$29.99	17	\$50-\$74.99	14
\$30+	27	\$75-\$99.99	12
		\$100+	24

The Union pointed out that 50% are paying less that \$50 per month for family coverage -- which is less than Bargaining Unit members are paying (about \$60/month). Thus, these employees are already "in the mainstream." The Union argued that it would be too burdensome to increase the premium share at the same time that the employees are faced with increased out-of-pocket co-pays.

The City pointed out that UEFF also discloses that, for the Dayton Region, the average percent

employee contributions are 12.8% for single coverage, and 14.0% for family.

UNIFORM ALLOWANCE

UEEE lists all of the items that POs are required to have in regard to uniforms. The total cost is \$3,575.41. The Union seeks a \$100 per year increase to the uniform allowance for POs, so that by the third year, it will be \$850. Its comparables are (UES):

Uniform Allowance Comparables

Comparable	
Centerville	???
Vandalia	Provided
Huber Heights	Provided
West Carrollton	Provided
Englewood	Provided
Riverside	Provided
Moraine	\$920
Kettering	\$800
Trotwood	\$800
Dayton	\$780
Miamisburg	\$550*
	(* taxable)

The Union notes that the Fire Supervisors have a \$650 allowance. Police Supervisors receive \$600. The Union pointed out that the Police Chief changed the uniform style, so that last year's expenditure by the City to replace some uniform items for the POs was because of the City's decision, and does not fundamentally alter the ongoing uniform obligations of the POs.

The City counters that it proposed a quartermaster system to the POs, however, they were not interested. The City said that a quartermaster plan would alleviate the tax issue. Further, last year the City bought all officers: shirts, pants, jackets (where needed), leather gear (where needed), bicycle uniforms, dress blouses (where needed) in order to bring all Officers into compliance with the new uniform design. The Chief of Police acknowledged that the style of uniform was changed in order to standardize uniforms from several prior varieties. The total expended was about \$28,000. Thus, the City finds that the Union's proposal is not warranted. The City would agree to a \$50 increase in the second year of the new Agreement, making the POs equal to the uniform allowance received by the Sergeants.

The City offered the following comparables (CE30):

Uniform Allowance Comparables

Comparable	
Beavercreek	Provided
Vandalia	Provided
West Carrollton	Provided
Centerville	Provided
Springboro	Provided
Moraine	\$880
Fairborn	\$850
Piqua	\$550
Miamisburg	\$550

INTERNAL INVESTIGATIONS

The Union proposes to put a time limit for internal disciplinary investigations of Bargaining Unit members, with a report due to the Officer within 75 calendar days after the notification to the employee that he or she is under investigation. The Union cited several recent investigations that have or are taking too long, even though the matters involved are not complex. The Union cited the heightened state of anxiety experienced by Officers, not knowing what or when something is going to occur. The Union suggested that there is no reason to take a longer time. The Union found that 75 days is more than a reasonable time.

The City said that some of the issues involved in these types of investigations are not only complex but are also private. Only three of the City's comparables (West Carrollton - 30 days; Vandalia - 30 days; and, Beavercreek - 60 days) have any limit. The City, and Chief, do not feel that a time limit serves the best interests of the Police Department and the Officers. The City said that it understands the Officers' concern, and that this is the first time that the concern was brought to its attention. The City confirmed that it will make every effort to ensure that the status reports (current Agreement) are done within the mandatory 14 days, and that investigations are brought to conclusion as soon as possible. However, the City said that there will be future cases when it will take longer than 75 days to complete investigations and render decisions.

The Union cited two current cases that have taken longer than six months, one for which the report "was on the Chief's desk" within two days, yet it still took more than six months to get the decision. The Chief noted that very few investigations have not been completed within a timely manner. He further explained that, on occasion, more time is needed due to the serious nature of the situation and due to the serious consequences that might result. The Chief further noted that the volume of formal investigations has decreased recently.

JOB ASSIGNMENTS -- FILLING JOB VACANCIES

The Union proposes that open positions (other than straight road assignments) be posted and awarded on the basis of merit and fitness when more than one person has an interest. The Union analogizes to Ohio's Constitutional provision that hiring and promotions for civil service be based on merit and fitness. The Union cited that this issue arose in connection with the new Court Officer position. The Union finds that their proposal will advance the Department's interest in having the right people in the jobs they prefer. The Union said that it is not trying to undermine the Chief's management rights. They acknowledged the Chief's right, after receiving applications and considering the criteria, to award the position to the person he finds deserving on the basis of merit and fitness. The Union is also concerned that seniority is not being considered, along with merit and fitness, to find the most qualified. The Union noted that the wording for its proposal was taken directly out of the Trotwood Police Contract.

The City asserts that the Union should really not want this provision. The City suggests that this will take a key management right away from the Administration of the Department, and effectually give it to a third party -- an arbitrator. Arbitrators are not responsible for how the Department works. Further, a provision as proposed by the Union will pit Union member against Union member, resulting in hard feelings. The City is aware of only one case that may have prompted this proposal from the Union. The City acknowledged that a provision like this might be appropriate if there were "case after case" of problems -- but that is not the current situation. The City feels that this type of a proposal is more appropriate for teachers' contracts, not for Police.

CURRENT ADDENDUM TO AGREEMENT (RE: SCHEDULING CHANGES)

The City's proposal is to remove the Addendum. The City finds that the Addendum (done in the early 1990s) is no longer needed or appropriate. It was then utilized when the City was on a 5 & 2 schedule, then went to a different schedule, and has since returned to a 5 & 2. Thus, the purpose of the Addendum was satisfied, and it should already have been removed. The provision in the Addendum regarding bi-weekly pay was resolved many years ago. There is no reason to keep it in place, and it should be removed. Further, the Addendum interferes with the ability of the Chief to best manage the Department.

The City is especially concerned with Item 4 of the Addendum that requires that "70 percent of the affected employees must approve by formal vote the new schedule." The City finds that this is a "very difficult standard to meet." The Union assured the City that if a favorable schedule were proposed to the Bargaining Unit, then 70% would vote for it. The Union further assured the City that there would not be a 70% vote for a "bad" schedule.

The Union countered that the Addendum was negotiated, and the City has not met its burden of proving that it should be removed. The City has not shown any compelling evidence/reason to remove it, nor any substantial objection as to the ability of the Chief to assign. The Union noted

that without the Addendum, the Union believes that the schedule would be changed. The Union noted that the schedule is important, that it drives the morale of the Department in that Officers have lives outside of the Department. The Union finds that the Addendum gives the Officers some protection so that they can have input into any proposed schedule changes.

ANALYSIS & RECOMMENDATIONS

GENERAL & EMPLOYER'S ABILITY TO PAY

As shown by the various articles (City, Union, Fact-finder) noted in the section captioned, "Background -- The Economy," there is substantial disagreement as to the current economic trend (up, stable, or down) and the strength of whatever the trend may be. While many suggest the trend is upward, none are suggesting that it is a strong, fast rising trend. Consumer confidence seems to have waned over the past few months. Job growth has fluctuated and consumers seem concerned about job security. In short, substantial uncertainty continues.

The General Fund is the source of funding for the police. The City's income tax (2003) is its largest (54.2%) source of funding (\$6,259,896) for its General Fund (\$11,542,945) (Annual Financial Report). Overall, income tax receipts have been declining, and are projected to continue declining to a small extent. (See discussion under General Fund above.) At best, income tax receipts are projected to be somewhat level.

Real property taxes (2003) is the second largest source of funding (\$1,177,581) for the General Revenue Fund, accounting for 10.2%. Fortunately, this source has been increasing. (See discussion above.)

The third largest source (\$639,419 -- 5.5%) is interest income. Unfortunately, this source declined 34% between 2000 and 2003, and is expected to continue declining.

The fourth source of funding for the General Fund is Local Government Funds paid by the State. A significant factor for the City's immediate future financial health is the threat by the Ohio Legislature that it might not renew the 1% sales tax increase. If it does not, then local governments are likely to lose their Local Government Funds from the State. For year ending 2003, Local Government Funds (\$620,848) accounted for 5.4% of total General Fund revenues. The 1% additional tax expires on June 30, 2005. If Local Government funds are substantially or totally eliminated, a large number of Ohio governmental entities will be in serious financial stress.

In short, two of the City's four largest sources of General Fund revenues are declining, and another is in jeopardy of even continuing, all in a very uncertain economic environment.

The Union argued that the City's 2003 General Fund balance (\$3,243,651) and its projected

2004 balance (\$3,143,651) are too high, and are thus available to pay the Union's economic proposals. The Union (UEA) cited a 1990 research bulletin issued by The Government Finance Officers Association, that suggests that perhaps as little as 5% is an appropriate General Fund balance -- that is, 5% of annual operating expenditures. The article continues to note that there is no national standard, and that another common practice is to reserve a number of months of operating expenditures (two, three, or more). For 2003, 5% of the City's operating expenditures (General Fund) would be about \$626,292. On the other hand, the 2003 General Fund balance of \$3,243,651 represents nearly three months of General Fund expenditures. The same article notes that determining a General Fund balance is an art, not a science. This Fact-finder believes that for this City, in this economic climate, three month's of reserves is appropriate.

ISSUE 1: WAGES -- ARTICLE 10 -- WAGE SCHEDULE

The Union proposes increases of 3.5%, 4%, and 4%. (The step issue for PSOs is discussed below).

The City proposes 2.25% with a reopener -- its first choice. Alternatively, it proposes 2.25%, 2%, and 2%.

The Parties' arguments and data supporting their respective wage proposals are summarized above. While considering all information presented by the Parties, the Fact-finder finds certain information to be more significant.

The City's comparables for POs (based on top base wages) places the City sixth out of nine cities. The City finds this to be within the "mainstream." The Union's comparables (based on base wages plus additional benefits) places the City tenth out of eleven cities. The Fact-finder prefers to use the following comparables. The comparable cities for both the POs and the PSOs were selected by choosing an equal number of nearby cities based on population -- four above and four below for the POs; and, three above and three below for the PSOs. These comparables place the City's POs third (based on top level wages) and fourth (based on entry level wages). The PSOs are second (based on top level) and third (based on entry level). Overall, the Fact-finder finds the POs and PSOs to be within the "mainstream."

Fact-finder's Comparables

Police Officer

Comparable	Pop. 2000	County
Trotwood+	27,420	Montgomery
Xenia+	24,164	Greene
Riverside+	23,545	Montgomery
Troy+	21,999	Miami
Miamisburg	19,489	Montgomery
Vandalia-	14,603	Montgomery
West Carrollton-	13,818	Montgomery
Clayton-	13,347	Montgomery
Englewood-	12,235	Montgomery

(Source: SERB, Benchmark Report, 9/29/04)

Police Officer

Comparable	Entry	Top	Effective	CBA End
Vandalia-	40,535	54,020	01/01/04 (a)	12/31/04
West Carrollton-	43,160	52,978	12/29/03	12/31/04
Miamisburg	39,645	52,185	07/01/03	06/30/04
Xenia+	37,856	52,125	09/14/04	09/09/06
Englewood-	37,752	50,565	01/01/04	12/31/06
Troy+	36,235	50,164	01/01/04	12/31/06
Riverside+	41,954	49,462	07/01/04 (a)	12/31/05
Trotwood+	36,235	49,462	08/01/03	07/31/06
Clayton-	33,114	44,304	07/01/03 (b)	12/31/05

(Source: SERB, Benchmark Report, 9/29/04)

(a) 8.5 hrs/day (b) 8.25 hrs/day

(Note: if entry level were used, instead of top level, for listing, Miamisburg would be fourth, instead of third.)

Public Safety Officer

Comparable	Pop. 2000	County
Beavercreek+	37,984	Greene
Fairborn+	32,052	Greene
Xenia+	24,164	Greene
Miamisburg	19,489	Montgomery
Lebanon-	16,962	Warren
West Carrollton-	13,818	Montgomery
Springboro-	12,380	Warren

(Source: SERB, Benchmark Report, 9/29/04)

Public Safety Officer

Comparable	Entry	Top	Effective	CBA End
Beavercreek +	30,267	42,369	01/01/04	12/31/04
Miamisburg	30,016	40,468	07/01/03	06/30/04
Fairborn +	28,704	40,435	06/26/04	06/24/05
West Carrollton +	31,096	40,165	12/29/03	12/31/04
Xenia +	27,206	39,541	07/04/04	07/01/06
Lebanon-	29,266	38,750	01/01/04	12/31/04
Springboro-	28,112	35,811	12/01/03	11/30/06

(Source: SERB, Benchmark Report, 9/29/04)

(Note: if entry level were used, instead of top level, for listing, Miamisburg would be third, instead of second.)

The City noted several times that it needed to apply the wage increase "brakes" with this Agreement. Being a mid-year Agreement, the City views this as the time to set the pattern for other bargaining units -- and presumably for its non union employees. This Fact-finder believes that perhaps a better time to have applied the brakes would have been before the City granted its non union employees an increase of 3.5% for 2004. The Fact-finder understands the City's argument that its Police forces enjoyed better than average increases in the prior Agreement. However, it was those increases that helped place the City's Police forces into the mainstream that they currently occupy.

A recommendation of 3.5% for the first year (2004-2005) is also consistent with the 2004 wage increases granted by the City to its Firefighters (3.5%); to its Teamsters (3.5%); and, to its Police Sergeants (3.5%).

According to the City's computation (CE16) the approximate cost for a 3.5% wage increase for these Bargaining Unit members in the first year of the Agreement will be about \$71,000. The Fact-finder finds that the City can afford and has the ability to pay this amount. The City can afford and has the ability to pay the same 3.5% increase for the first year that it granted to its non union employees -- including its Administration for 2004. Thus, the Fact-finder recommends the Union's 3.5% wage proposal for the year 2004-05. At the same time, the Fact-finder agrees with the City that the unsettled national and local economies and the unsettled Local Government Fund issue cast a serious shadow over what appropriate wage increases should be for the two subsequent years (2005-06 and 2006-07). Hence, this Fact-finder adopts the City's proposal for a wage reopener. Hopefully, a better picture of the economic trends will be available. By then (mid-2005) the issue of the State's additional one percent sales tax, and concomitant Local Government Fund, will be known.

The Fact-finder has given careful consideration to the Union's proposal to drop the first (of seven) Steps for the PSO's. As noted above, the PSO's are in the mainstream with the Fact-finder's comparables -- both for entry and top level wages. Thus, to drop Step A would unnecessarily raise the City's comparable position. The Fact-finder recommends that no Step be dropped from the PSO's wage schedule. However, the Fact-finder further finds that it is not

equitable for the POs to reach their top pay after 60 months, while the PSOs do not reach theirs until after they have served 72 months. POs and PSOs work closely as a team. They share a community of interest, their jobs are closely related one to the other, and the POs are highly dependent on skilled, effective PSOs. That is probably why SERB approved the POs and PSOs be combined into this Bargaining Unit. To remedy that inequity, the Fact-finder recommends that the number of months for PSOs to reach their top Step be reduced from 72 to 60 to match the POs. The specific number of recommended months between each of the seven Steps are set forth below under the Fact-finder's recommendations.

Finally, the Fact-finder does not find that the April 2003, OCSEA - OHIO (CE26) conciliation is in any way controlling in the instant dispute. On page 12 of the Conciliation Award, Conciliator Stein writes, ". . . I must concur with Dr. Graham's [Fact-finder] conclusion that, 'The fiscal condition of the State is dreadful.'" Fortunately, for all concerned, including the residents of the City, the City's fiscal condition is clearly not "dreadful," nor is it even close. Thus, the harsh terms imposed by the referenced Conciliation are not appropriate, even by way of analogy, to these Parties' situation. Fiscally sound and operationally efficient state and local governments are an integral part of a civilized society. Ultimately, residents will have to decide how civilized they want to be. Fortunately, the residents of the City, through their elected officials and administrators, have chosen wisely.

ISSUE 2: WAGES -- ARTICLE 10 -- (NEW) SECTION 11 -- LONGEVITY

The Fact-finder agrees with the Union that longevity pay is an appropriate issue to consider within a long standing bargaining relationship such as that of these Parties. However, the Fact-finder also agrees with the City that, due to the current uncertain economic environment, that this is not the time to be adding additional monetary benefits. While none of the City's other bargaining units have longevity pay, it is a common enough benefit for police units that the Parties may wish to consider it in the future. Thus, the Fact-finder recommends a reopener for the issue of longevity pay for the second and third years of the Agreement.

ISSUE 3: HEALTH INSURANCE -- ARTICLE 14 -- PREMIUM SHARE

The City is proposing increasing the percentage of the premium that employees pay from 7.5% to 10% of the monthly premiums. The City is willing to delay implementation of the increase until July 1, 2005. The Union is proposing no change, and continuing the existing 7.5% contribution.

Health insurance costs continue to be public and private employers' top cost concern. Unfortunately, the Fact-finder does not have an answer to offer to the Parties to solve the dilemma of spiraling costs. The City expressed its pride at being able to continue providing

coverage to its employees. The City is seeking assistance to help cover increasing costs. The Firefighters will begin paying 10% on January 1, 2005. While the City Council has not yet formally increased the percentage for non union employees, it plans to pass the increase.

The Fact-finder acknowledges that the City increased the major co-pays that City employees pay for physician office visits and for prescriptions. These plan changes have already increased the health care costs to POs, to PSOs, and to all City employees. However, such co-pay increases are in line with what many other employers have done in the past few years, and are appropriate to assist with cost containment.

The Fact-finder's comparables for premium sharing are convincing. They are:

Police Officer -- Health Ins. -- Employee's Premium Share

Comparable

Xenia +	15%
Riverside +	10%
West Carrollton-	10%
Englewood-	10%
Trotwood +	10%
Troy +	10%
Miamisburg	7 1/2%
Clayton-	7%
Vandalia-	\$105S/\$260F

Rising health care costs are a national problem. This Fact-finder believes that both employers and employees must face the problem, at least until there is a national solution. The City's request to increase the employees' contribution to 10% is reasonable. The City noted that the average percent for public employers in the Dayton region are 12.8% for single coverage, and 14% for family. For an employee currently using single coverage, the employee's total share will be about \$29.53 per month (an increase of about \$7/month). For an employee using family coverage, the share will cost about \$80.62 per month (an increase of about \$20/month). For both, the City will continue paying 90% (about \$265.77/month for single; and, about \$725.62/month for family).

Thus, the Fact-finder recommends that the Bargaining Unit members' share of monthly premium costs be increased from 7.5% to 10%, and that such increase be effective on July 1, 2005 -- but, only on the condition that the City, by such date, formally/officially increases the share paid by non union City employees to not less than 10%. If the City has not formally increased non union City employees' share by said date, then the increase for these Bargaining Unit members shall not occur.

ISSUE 4: UNIFORM ALLOWANCE -- ARTICLE 15 -- SECTION 1

The Union proposes increasing PO's annual uniform allowance by \$100 for each of the three years of the Agreement, thus raising the allowance under the prior Agreement from \$550 per year to \$850 per year. The City proposes an increase of \$50 in the second year of the Agreement, noting that the PO's allowance would then equal that of the organized Police Sergeants' allowance.

Both the Union's and City's comparables for uniform allowances show that the current allowance is not in the mainstream. The Fact-finder's comparables show the same:

Police Officer -- Uniform Allowance

Comparable

Riverside+	Provided
Vandalia-	Provided
West Carrollton-	Provided
Englewood-	Provided
Trotwood+	800
Xenia+	750
Troy+	750
Clayton-	750
Miamisburg	550

In this regard, the City's POs are substantially under-compensated when it comes to uniform allowance. The City's proposal of \$50 in the second year of the Agreement would do little to correct the deficiency. Likewise, the Union's proposal for a \$100 increase per each of the three years of the Agreement would overcorrect. The City's recent expenditure of about \$28,000 for uniform related items appears, from the testimony, to have been necessary for probably two reasons: one, the City's desire to standardize basic uniform items throughout the Police Officers; and two, the inadequacy of the Officer's current uniform allowance.

The Fact-finder recommends an increase to the PO's uniform allowance as follows: \$100 increase effective July 1, 2005; and an additional \$100 effective July 1, 2006 -- for a total allowance of \$750 as of the third year of the Agreement. These phased increases will bring the Officers into the mainstream with the comparables.

**ISSUE 5: DISCIPLINARY PROCEDURES AND EMPLOYEE RIGHTS --
ARTICLE 21 -- SECTION 3 -- ADMINISTRATIVE
INVESTIGATIONS**

The Union proposes an addition to Article 21, Section 3, as follows:

The investigation of any charge and the notification to the employee of any disciplinary action as a result of the investigation shall occur no more than a total of seventy-five (75) calendar days after the notification to the employee that he or she is under investigation.

The Union cites a couple of situations where investigations have taken about six months to one year, when the investigations could have been completed within 75 days or less. The Union's proposal is not without some precedent. It cites several comparables that provide for time limits. The City says that a time limit is not appropriate, and would curtail the Chief's discretion to thoroughly investigate and carefully consider any appropriate remedy. The City said the Union's proposal has alerted it to the Union's concern. The City affirmed its intention to promptly conduct and conclude all investigations. The City affirmed its intention to comply with the existing provision that status reports be furnished to the affected employee every 14 days. However, the City also confirmed that there will likely be future situations that require more than 75 days for it to do the best possible job of thoroughly investigating and correctly assessing any appropriate remedy.

The Fact-finder recommends no change at this time to Article 21, Section 3. In light of the City's commitments in regard to this issue, the Fact-finder believes that the City should be given additional future opportunities to prove its firm intentions to best manage each and every instance when an investigation is necessary. This Fact-finder finds the City's commitments to have been made in the best of good faith, and is hopeful that the Union will find the City's management of future investigations to be satisfactory.

ISSUE 6: JOB ASSIGNMENTS -- NEW ARTICLE -- FILLING JOB VACANCIES

The Union proposes that open positions (other than short term assignments) be posted for seven days to permit interested candidates to apply for a posted position. The Union's proposal further provides that the position be awarded on the basis of merit and fitness when more than one person has interest. For purposes of merit and fitness, the Union's proposal includes: job performance, experience, training and education. The City proposes that the new article not be adopted. The City essentially argues that the proposal would intrude into its management rights.

Provisions of this type (merit and fitness) are common in private sector collective bargaining and some areas of public sector collective bargaining. These provisions are interpreted and applied on the basis of assessing ability, and where the abilities of two applicants are equal, seniority then prevails. Where they are not equal, ability becomes the deciding factor. For provisions

of this type to work effectively, the measures of ability must be clearly defined and objectively evaluated. On that basis, they do not create dissention among bargaining unit members.

While details were not provided to the Fact-finder by either Party, it appears that this proposal stems from one situation related to the recent new position for Court Security. The Fact-finder does not need to determine whether or not management rights would preclude such a provision. While one case seems to have prompted this proposal by the Union, the Fact-finder does not find that the Union has shown sufficient reason to consider the imposition of the "award" (merit and fitness) portion of the proposal at this time. However, the Fact-finder recommends that job vacancies be posted for seven consecutive calendar days. Posting is consistent with good human resource practices. It will help insure that all interested Officers are made aware of vacancies; and, posting may well help prevent claims of discrimination on protected bases (such as race, gender, *etc.*). The Fact-finder hopes that posting may alleviate the Union's concern generated by the prior incident. If it does not, then the Union may wish to make a similar proposal as part of future bargaining.

ISSUE 7: ADDENDUM TO AGREEMENT

The City proposes deleting the Addendum. It essentially argues that the original reasons for the Addendum have been satisfied, and that there is no further purpose for it. Further, the City argues that one provision in particular is limiting the Chief's ability to create a better schedule for the Officers. The specific provision is number 4: "70 percent of the affected employees must approve by formal vote the new schedule." The City is concerned that any new schedule will not gain such a high percentage of approval. The Union argues that the Addendum was bargained, and that all Officers need the continuing protection of paragraph 4 as their way to have meaningful input into any proposed schedule change.

The Fact-finder finds that the City has not shown sufficient reason to consider deleting the Addendum. It was previously bargained, and presumably some other consideration was given by the Union for its inclusion in the Agreement. The Fact-finder believes the Union that the Addendum continues to have significant importance for them. Thus, the Fact-finder recommends against deleting the Addendum.

SUMMARY OF FACT-FINDER'S RECOMMENDATIONS

ISSUE 1: WAGES -- ARTICLE 10 -- WAGE SCHEDULE

Recommendation: 3.5% across-the-board increase effective retroactively to July 1, 2004; and, a reopener for the second and third years of the Agreement.

Recommendation: That no Step be deleted from the Public Safety Officer wage schedule; but,

recommends that the number of months from Step A through subsequent steps to Step G in the Public Safety Officer wage schedule be changed as follows:

	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Months	0-12	13-23	24-33	34-42	43-51	52-60	61+

ISSUE 2: WAGES -- ARTICLE 10 -- (NEW) SECTION 11 -- LONGEVITY

Recommendation: That no new Section 11 (longevity) be adopted; but, further recommends a reopener for longevity pay for the second and third years of the Agreement.

ISSUE 3: HEALTH INSURANCE -- ARTICLE 14

Recommendation: Raise the employee premium share from 7.5% to 10%, effective July 1, 2005, but only if the City carries out its stated intention (by formal/official action) to increase the employee share for non union City employees to at least 10% effective on or before July 1, 2005.

ISSUE 4: UNIFORM ALLOWANCE -- ARTICLE 15 -- SECTION 1

Recommendation: That the uniform allowance for Police Officer be increased by \$100.00, effective on July 1, 2005; and, that it be increased by another \$100 effective on July 1, 2006.

ISSUE 5: DISCIPLINARY PROCEDURES AND EMPLOYEE RIGHTS -- ARTICLE 21 -- SECTION 3

Recommendation: No change.

ISSUE 6: JOB ASSIGNMENTS -- NEW ARTICLE

Recommendation: That the following be adopted as a new Article:

Section 1. Effective with the commencement of this Agreement, and thereafter, a notice concerning an available job vacancy, other than short term assignments which are made

based on the operational needs of the department within the bargaining unit, shall be posted for a period of seven (7) consecutive calendar days to permit interested candidates to apply for the position. No job vacancy will be filled until the posting requirement is complied with. Short term assignments shall be defined for purposes of this Article as no more than 45 days in duration which can be extended for good cause shown by an additional 45 days with notice to the Union.

It is further recommended that the proposed Section 2 not be adopted.

ISSUE 7: ADDENDUM

Recommendation: No change, that is, that the Addendum be retained in its entirety.

ADDITIONAL RECOMMENDATIONS:

Recommendation: That, pursuant to the Parties' prior agreement, the new Agreement be retroactive to July 1, 2004.

Recommendation: That, pursuant to the Parties' prior Agreement, the new Agreement have a duration of three years.

Recommendation: That all agreements reached by the Parties during their negotiations prior to the Fact-finding Hearing be adopted as part of the new Agreement.

Note: the Fact-finder, in preparing this Report and making his Recommendations, considered the oral presentations made at the Fact-finding Hearing and supporting documentation submitted by the Parties, even though not referenced in this Report.

THE FOREGOING RECOMMENDATIONS ARE RESPECTFULLY SUBMITTED to the Parties as a proposed settlement for their interest dispute concerning the terms and conditions of their collective bargaining agreement.

Fact-finder


William M. Slonaker, Sr., JD, MBA, SPHR