



STATE EMPLOYMENT RELATIONS BOARD
STATE OF OHIO

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RELATIONS BOARD

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In the matter of Fact Finding between:)	Case No. 06-MED-01-0015
)	
FRATERNAL ORDER OF POLICE,)	
OHIO LABOR COUNCIL INC.)	FACT FINDING REPORT
)	
and)	
)	Hearing: May 23, 2006 at
THE CITY OF TIPP CITY, OHIO)	Tipp City, Ohio

Appearances:

Mitchell B. Goldberg, Appointed Fact Finder

For the Union:

Dennis Sterling, Staff Representative
Bruce Mancz, Patrol Officer

For the Public Employer:

John J. Krock, Vice President, Clemans, Nelson & Assoc.
David Collinsworth, City Manager
Thomas Davidson, Chief of Police

I. Introduction and Background.

SERB appointed the undersigned as the Fact Finder of this public employment labor dispute on March 24, 2006. The parties agreed to extend the Fact Finding period and agreed to have the hearing conducted on May 23, 2006. They agreed to further extend the Fact Finding period, and that a Report shall be issued on June 13, 2006.

The parties conducted negotiations for their successor collective bargaining agreement that expired on April 20, 2006. Sessions were held throughout February and March. The parties resolved all of the outstanding issues except the following: (1) Wages, (2) Shift Differential, (3) Longevity Pay, (3) Health Insurance and (4) Duration. They submitted timely pre-hearing statements in accordance with SERB rules and Ohio law. They presented evidence in the form of testimony and documentary exhibits at the May 23 hearing. All unopened articles and matters temporarily agreed upon between the parties are hereby adopted and incorporated by reference into this Report.

The following recommendations take into consideration all of the evidence presented and submitted at the hearing and are in accord with the statutory criteria established by SERB and the Ohio public sector collective bargaining laws.

II. The Union.

The bargaining unit was deemed certified by SERB in 1999 and consists of 13 members, all of whom are sworn police officers. Dispatchers and officers above the rank of Police Officer are excluded from the unit.

III. The Public Employer.

Tipp City is a municipality in Miami County north of Dayton, Ohio with an approximate population of 9,700 persons. Its area is approximately 7.5 square miles. The City provides full services to its residents including electric utilities. Its largest revenue source is a municipal income tax. The City is experiencing moderate growth in

residential and commercial properties due to its proximity to Dayton, the Dayton International Airport and the I-75 commercial corridor that extends north to Troy and Piqua.

IV. Economic Evidence.

The City does not contend that it is unable to pay the Union's economic proposals that remain at impasse; however, it does contend that it has certain economic constraints that must be considered and addressed. These are reflected in its responsive proposals and in its proposals relative to health insurance issues.

General fund receipts have declined along with expenditures in past years due to poor economic conditions experienced by manufacturing based economies. However, police budget expenditures have risen to accommodate the hiring of an additional officer and for the upgrading of a patrolman to Sergeant. The economy has recovered somewhat in 2005 and 2006, but unemployment in the Dayton region is still higher than the national average. Job losses at the UPS airport facility, MT Picture Tube and Delphi have particularly affected the job opportunities in the region. Area municipalities have reacted to economic conditions by increasing taxes; Tipp City is determined not to increase an additional tax burden upon its citizens.

The comprehensive economic evidence was considered together with the wages and benefits paid in comparable police departments in the geographic area surrounding Tipp City in making the following recommendations.

V. Unresolved Issues.

A. Article 15, Compensation and Pension Pick Up.

(1) Wages.

The Union is proposing a three-year package of across the board increases of 5% in year one, 3.5% in year two and 3.5% in year three. It compares the wages paid at the entry level and at the top scale for surrounding departments and concludes that its entry level is somewhat below the average in both categories. Nearby cities in the I-75 corridor such as Piqua, Troy and Vandalia pay at higher levels and affect the ability of the City to hire and retain quality officers. Piqua pays at \$22.01/\$27.04, Troy pays at \$18.66/\$25.83 and Vandalia pays at \$20.88/\$27.82. Tipp City is only at \$18.63/\$24.57. If all of these departments continue to receive raises at comparable rates, Tipp City's will progressively decline relative to these nearby communities. The City is now about 9.66% below the entry-level average of all I-75 corridor communities and 8.31% below the pay at the top level. Accordingly, the Union's proposal attempts to increase the rates so that its members will maintain wages at relative levels with these other departments instead of continuously falling behind.

The City is proposing wage increases of 3%, 2% and 2%. It believes that this proposal is in line with increases issued to cities of similar population in the area. Its present wages are above the averages for entry level and slightly below at the top level. However, most of these cities do not have longevity payments; Tipp City does. The City compares the entry level and top wages for West Carrollton, Moraine, Troy, Piqua,

Bellebrook, Englewood, Urbana, Clayton, Eaton and Greenville. The Average is \$18.88/\$24.65/\$24.75 (entry/10 years/20 years). Tipp City is at \$18.88/\$24.65/24.75.¹

Its proposal is in accord with statewide settlements in 2005 and past years. Increases in the Dayton region for 2003, 2004 and 2005 were 3.31%, 2.83% and 2.55%. Police units throughout the state were at 3.28%, 2.99% and 2.98%. The unit received increases of 3.5%, 3% and 3.2% over this same period. Inflation rates were at 2.27%, 2.68% and 3.39%. Accordingly, the City believes that the members have received comparable wages in the past, and the proposed wages will maintain comparability. The City is receiving sufficient applications for the vacant job opening and they have not lost officers to competing departments in any significant number.

The difference in the cost of each proposal is significant. The City's proposal will cost \$95, 939 over the 3-year period, while the Union's proposal would cost \$164,847, not including roll-ups for benefit payments.

Recommendation.

Based upon my review and analysis of the economic evidence, I recommend that the City pay the members across the board wage increases of 3.5% beginning on April 21, 2006 and 3.5% on each following anniversary (April 21, 2007 and April 21, 2008) of a three-year contract.

¹ The City included longevity payments where applicable except for Troy.

(2) Shift Differential.

The Union is proposing the elimination of the current restriction on the payment of a shift differential for working on the second shift. Now, officers permanently assigned to the third shift receive the differential, but officers who work rotating shifts between day and afternoon do not receive a differential until they work two consecutive pay periods. Under the present two-week rotation, the differential is illusory. The differential should apply on the first day worked on the afternoon second shift.

The City opposes this change because the officers have voluntarily chosen the two-week rotation schedule so that the officers share equally in the afternoon work shift. Shift differentials are usually paid for working undesirable shifts, not in cases when employees volunteer for the work time.

Recommendation.

I recommend that the Union's proposal be accepted. The cost of this proposal is relatively insignificant in terms of the entire City budget. Section 15.5 shall read:

Employees scheduled to work a shift, the majority of which hours are between 4:00 p.m. and 12:00 midnight, shall be paid a shift differential of twenty cents (\$.20) per hour.

Employees scheduled to work a shift, the majority of which hours are between 12:00 midnight and 8:00 a.m., shall be paid a shift differential of forty (\$.40) per hour.

(3) Longevity Pay.

The Union is proposing an increase in the present longevity rates in the amount of 3% effective April 21, 2006, in order that this payment keep up with inflation. The City objects to this increase because it would increase the longevity pay above the amounts paid to non-union employees. It is willing to accept language that would protect the unit in the event longevity pay is increased for non-bargaining unit members. In such event, the unit members would receive the same increases.

Recommendation.

The following language shall be added to Section 15.6 in accordance with the City's proposal: "Longevity will be paid in the same manner and same amounts as that provided to the City's non-union (Chapter 37) employees." The remaining language shall be the current language with no change in the rate of pay.

B. Article 17 – Health Insurance.

The City proposes language that would treat all City employees the same relative to their contributions for health insurance premiums. Presently, three different health insurance plans are offered, but all employees except the FOP members contribute 12% of the premiums. The FOP members still contribute 10%. When the City negotiated with its AFSCME unit during the last round of negotiations, it obtained an agreement for 12% contributions based upon the representation that all employees, including non-union employees, administrative employees, management employees and the FOP would eventually be paying premium contributions at the 12% level. It is important, for

administrative, cost and efficiency purposes for all of the members of the small group of city employees to be treated the same in terms of available plans and premium contributions.

The Union does not believe that having all employees paying the same contribution is a sufficient enough reason to substantially increase the financial burden upon its members. Piqua officers pay \$109.68 per month toward the premiums for a family plan, Urbana contributes 10%, and Vandalia contributes only 7.5%. The present 10% contribution level has been obtained by the Union during negotiations when contributions were at higher levels. The Union conceded on other economic demands in order to obtain the present contribution level.

I believe that the dramatic increase in premium costs requires the additional contribution. Tipp City employees have not been spared these additional insurance costs that can only be addressed by receiving lower benefits, higher deductibles and higher co-payments. Increasing the percentage contribution for FOP members to that of the other employees at this time does not appear to be an unreasonable request from the City in light of the present circumstances. Health care premiums have consistently risen in double-digit percentages, both nationally and statewide, over past years.

Recommendation.

Section 17.1 shall be amended to read:

The Employer shall provide to all bargaining unit employees a group hospitalization /major medical

insurance plan for those employees electing to accept such coverage. The Employer shall pay 88% of the premium cost and each employee will pay 12% of the premium costs for the insurance identified as the core insurance for the duration of the Agreement. The two optional health insurance plans and employee contributions that are provided to other City employees shall also be offered to bargaining unit members. (Plans identified in Appendix A). Should the employee have health insurance through another plan, the employee may opt out of the City's health insurance program and receive \$150.00 per month paid to the employee for not utilizing the City's health care insurance.

(1) Life Insurance

The Union proposed an increase in the death benefit paid under the group term life insurance policy provided to all employees. The present benefit is \$35,000. The Union proposes an increase to \$50,000.

Recommendation.

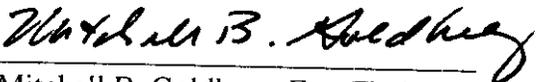
I recommend that the present level of benefits remain unchanged. The FOP members should receive any future increase if additional benefits are provided to other employees.

C. Duration.

Recommendation.

The CBA shall be for three years, effective April 21, 2006 and continuing until April 20, 2009. Wages shall be retroactive to April 21, 2006. All other articles and provisions shall become effective upon the execution of the CBA.

Date of Award: June 13, 2006

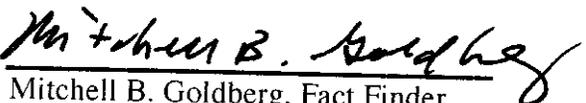


Mitchell B. Goldberg, Fact Finder

CERTIFICATE OF SERVICE

This Fact Finding Report was served upon the following parties on this 13th day of June 2006:

1. State Employment Relations Board, c/o J. Russell Keith, Acting Administrator, Bureau of Mediation, 65 East State Street, 12th Floor, Columbus, Ohio 43215-4213.
2. John J. Krock, Vice-President, Clemans-Nelson & Assoc., Inc., 6500 Emerald Pkwy., Suite 100, Dublin, Ohio 43016-6235.
3. Dennis Sterling, Staff Representative, FOP-OLC, 222 E. Town. St., Columbus, Ohio 43215-4611.



Mitchell B. Goldberg, Fact Finder