STATE EMPLOYMENT
RELATIONS BOARD
2009 APR -8 P 12: 36

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

In the Matter of Fact-Finding Between:

Ohio Patrolmen's Benevolent Association	)	08-MED-09-0854 08-MED-09-0855 08-MED-09-0856
-And-	)	
City of Perrysburg	)	Fact-Finder: John T. Meredith

REPORT AND RECOMMENDATIONS
ISSUED APRIL 6, 2009

APPEARANCES

Present for the Union:

Michelle Sullivan, Counsel
Ptl. William Chalfant
Ptl. Patrick Jones
Mary Karafa, Com. Officer
Emily Watkins, Records Clk.
Sgt. Pat McGuire
Sgt. Jack Otte

Present for the Employer:

David Smigelski, Attorney
Kelly Lauderback, H.R. Manager
David Creps, Director Of Finance

INTRODUCTION

The parties to this Fact-Finding proceeding are the Ohio Patrolmen's Benevolent Association and the City of Perrysburg, OH. The bargaining units consist of all full-time Patrol Officers, currently twenty-two (22) employees; all full-time Dispatchers, Animal Control Officers, and Records Clerks, currently ten (10) employees; and all full-time Sergeants, currently six (6) employees. The subject Agreements will be the successors to Agreements which expired on February 28, 2009.

The parties' bargaining teams engaged in negotiations and reached a tentative agreement. The tentative agreement was ratified by the three union bargaining units, but rejected by the City Council, primarily due to its third-year wage component. Thereafter, the parties held one additional bargaining session and filed their timely fact-finding request with the State Employment Relations Board. By letter dated February 5, 2009, SERB appointed the undersigned, John T. Meredith, to serve as Fact-Finder. A fact-finding hearing was scheduled for 10:00 a.m. March 16, 2009 at the City of Perrysburg Municipal Building. Prior to the hearing, the parties timely submitted their Position Statements to the Fact-Finder.

The hearing proceeded as scheduled on March 16, and was conducted in accordance with Ohio Collective Bargaining Law and applicable SERB Rules and Regulations. After briefly attempting mediation, the parties presented their evidence and submitted two issues – wages and contract duration - for decision. The Fact-Finder's recommendations for resolution of these issues are fully discussed in the Resolution of Disputed Issues Section of this Report.

In making his recommendations, the Fact-Finder gave consideration to the following criteria prescribed by Ohio Collective Bargaining Law and listed in SERB Rule 4117-09-05:

(1) Past collective bargaining agreements, if any, between the parties;
(2) Comparison of the 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;

(6) Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

BACKGROUND

1. Financial and Demographic Profile

Perrysburg is a predominantly middle and upper middle class suburb located just south of Toledo. Perrysburg has experienced growth both by annexation of territory and internal development, and hopes to continue growing. Its current population is approximately 19,000. Though mostly residential, the headquarters of OI Holdings (formerly Owens Illinois) is located in Perrysburg, as are several smaller enterprises.

Perrysburg appears to be a financially healthy city. Even after transfer of funds for capital development, it ended 2008 with an unencumbered General Fund balance of approximately $3.7 million, or about 19% of total General Fund expenditures. Moody's Investment Service recently reaffirmed Perrysburg's Aa credit rating, a very good rating for a city of its size.

Perrysburg does not anticipate loss of commercial enterprises at this time. However, its residents are employed throughout the Toledo area, where many employers are directly dependent on the future of the auto industry. Residents' incomes, and thus the City's income tax revenue, are exposed to the recent national and regional economic downturn and the current severe economic crisis in the auto industry. Therefore, the City is projecting flat revenues for the next several years, and is concerned about lack of visibility beyond 2009 and 2010.

2. Comparability Data

Both parties submitted SERB's Annual Wage Settlement Report for 2008, which shows average wage settlements for 2008 negotiations. Pertinent data from this Report may be summarized as follows:

Average wage increase, all employees, statewide:	2.92%
Average wage increase, police, statewide:	3.23%
Average wage increase, all employees, Region 7 – Toledo	2.71%
Average second-year (2009) wage increase	2.98%
Average third-year (2010) wage increase	2.93%

Also, both parties are in agreement on the following comparative data for police in neighboring communities:

City	Ptl. - 2008	Sgt. - 2008	Disp. – 2008	2009 increase/status
Oregon	$57,595	$66,301	$55,640	3.0%
Bowling Grn	$57,428		$49,899	June expiration
Maumee	$57,275	$64,047	$48,824	Fact-Finding/Conciliation
Sylvania	$56,891	$64,968	$49,239	2.5% increase
Sylvania Twp.	$56,154	$62,868	$46,392	3.5% increase
Perrysburg T.	$55,494	$62,420	$44,137	3.0% increase
Perrysburg	$54,6542	$64,147	$47,590	Fact-Finding

The Perrysburg Township and Sylvania Township contracts were negotiated in 2008. The 2009 wage is the second year wage in the contract. The Sylvania contract has a 2009 effective date.

In addition, the City submitted data for Northwood, Findlay and Toledo. The Northwood and Findlay pay scales are materially lower, while the Toledo scale is higher. A recent Fact-Finding Report for Northwood police recommended increases of 2.5% in each year of a three-year contract, commencing in 2009. The Union disputed the relevance of Findlay and Northwood. Northwood, it said, is smaller and less affluent, and Findlay is too distant to be considered for comparability purposes.

RESOLUTION OF DISPUTED ISSUES

1. Wages – Section 11.1 and Wage Appendices

Positions of the Parties: The parties are in agreement on several features of the wage package. First, they have agreed to a new wage matrix for Communications Officers/ACO and Records Officers which would be implemented in lieu of any general percentage wage increase in the first year of the contract. Further, a one-time lump sum bonus would be paid to two employees who are at the top of the scale and would not benefit from the restructuring. Second, there would be a no-cost restructuring of the wage matrix in the Sergeants contract. Third, there would be no guaranteed increase for the third year of the contract (commencing March 2011). Rather, third-year wages would be subject to a wage re-opener, with negotiations to commence in the Fall of 2010 upon service of a notice to negotiate after September 1, 2010.

The parties are not in agreement, however, on the first year wage increase for Patrol Officers and Sergeants, or on the second-year wage increases for all employees. The City proposes 3% general wage increase for Patrol Officers and Sergeants in the first year and a 3% general wage increase for all employees in the second year. Increases in both cases would be effective with the first full payroll period in March. This proposed 3%/3% package, the City states, is fully consistent with comparability data reported for

neighboring communities and in SERB's Annual Wage Settlement Report. It is also responsible in view of the City's financial projections. Finally, the City notes Perrysburg officers receive separate roll call pay. The rankings on which the Union relies do not take this into account, and thus understate the relative standing of Perrysburg officers in comparison to officers in neighboring communities.

The Union counters by proposing a 4% general increase for Patrol Officers and Sergeants in the first year, and a 4% increase for all employees in the second year. While the 4% represents some premium over the average increase, the Union states it needs a premium to compensate for giving up a guaranteed third-year increase and offering to agree to the re-opener concept proposed by the City. It also notes that, when compared to their counterparts in neighboring cities, Perrysburg Patrol Officers ranked last, Sergeants third, and Dispatchers fifth of seven Cities. (Ranking based on comparison of top rates, see page 4 of this Report.)

RECOMMENDATION:

(1) **Patrol Officers: The Fact-Finder recommends a wage increase of 3.25% effective with the first full pay period commencing in March 2009, and a wage increase of 3.0% effective with the first full pay period commencing in March 2010. No change in number of steps or intervals between steps. The Fact-Finder further recommends a wage re-opener, to be initiated at the option of either party by written notice between September 1 and October 1, 2010, for wages to be effective on or after the first pay period in March 2011. Language and hourly wage matrix for Appendix A to the Patrol Officers Agreement is attached to this Report and incorporated herein.**

(2) **Sergeants: The Fact-Finder recommends a wage increase of 3.25% effective with the first full pay period commencing in March 2009, and a wage increase of 3.0% effective with the first full pay period commencing in March 2010. As agreed by the parties, Steps A – F of the current pay matrix shall be eliminated; Steps G - H shall be redesignated A – E, with one-year intervals between Steps A, B and C, and two-year intervals between Steps C, D and E. The Fact-Finder further recommends a wage re-opener, to be initiated at the option of either party by written notice**

between September 1 and October 1, 2010, for wages to be effective on or after the first pay period in March 2011. Language and hourly wage matrix for Appendix A to the Sergeants Agreement is attached to this Report and incorporated herein.

(3) **<u>Communications Officers, ACO, Records Officers</u>: As agreed by the parties, effective in the first full pay period commencing March 2009, the current pay matrices for Communication Officers/ACO and for Records Clerks shall be compressed from eleven steps to nine steps, with one-year intervals between steps. There will be no additional percentage general increase effective in 2009, but the two employees at the top of the scale (J. Studer and D. Thomas) will receive a one-time lump-sum payment equal to 4% of their 2009 annualized compensation based upon 2080 hours. The fact-Finder further recommends a wage increase of 3.0% effective with the first full pay period commencing in March 2010. The Fact-Finder further recommends a wage re-opener, to be initiated at the option of either party by written notice between September 1 and October 1, 2010, for wages to be effective on or after the first pay period in March 2011. Language and hourly wage matrix for Appendix A to the Communications Officers/ACO and Records Officers Agreement is attached to this Report and incorporated herein.**

<u>Rationale</u>: The 3.25%. first-year increase and 3.0% second-year increase should be sufficient to insure that Perrysburg officers maintain or improve their relative standing in wage rankings of police in comparable neighboring communities. Among neighboring communities, only Sylvania Township has secured a 2009 wage increase greater than 3.25%. 3.25% also approximates the statewide average increase for police in 2008, and exceeds the average 2008 increase for public employees in Region 7 (Toledo). While average wage increases for 2010 cannot be predicted with certainty, the average is likely to trend lower, as the current economic slowdown will impair the ability of many public employers to increase employee compensation. Therefore, it is likely that the 3.0% offered by the City and recommended in this Report will exceed average increases for Ohio public employees in 2010. The City acknowledges that it has the ability to pay the

recommended increases, and the third-year re-opener will protect the City if the current recession continues and has an adverse impact on its finances.

2. Duration – Article 13

Positions of the Parties: The City proposes a three-year contract with a February 29, 2012 expiration date. The Union counters by proposing a contract termination date of December 31, 2011. It contends that the February 29 termination date puts it at a disadvantage if negotiations proceed to the conciliation stage, in that a conciliator lacks authority to make a monetary award effective during the same fiscal year of his/her appointment, absent the employer's consent.

RECOMMENDATION: The Fact-Finder recommends a three-year contract with a February 29, 2012 expiration date. Article 13 of the Agreement shall be revised to state: "This Agreement shall be effective from _____, 2009, except as otherwise specifically provided herein, and shall continue in effect through February 29, 2012 and shall continue in full force and effect from year to year unless written notice of desire to cancel, terminate or modify the contract in whole or is part is served by either party on the other on or after September 1 of the year prior to the expiration date of this Agreement. When a notice to cancel, terminate or modify this Agreement is timely served, the parties shall meet and negotiate expeditiously and in good faith with a shared goal to complete whatever proposed amendments, additions, or deletions they so choose within forty-five (45) days after filing of the Notice to Negotiate with the State Employment Relations Board (SERB)."

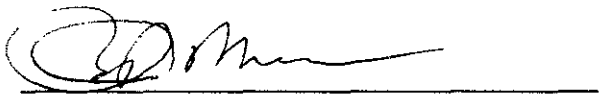
Rationale: A full three-year duration is consistent with the parties' practice and with the most common pattern for public sector contracts throughout the State of Ohio. The February 29 expiration date is also consistent with expiration dates for other City bargaining agreements. There is no evidence that the inability of conciliators to order wage increases during the fiscal year of their appointment has impaired the parties' ability in the past to negotiate timely wage settlements.

INCORPORATION OF AGREEMENTS

As requested by the parties, the Fact-Finder incorporates by reference the signed tentative agreements reached by the parties before the March 16, 2009 Fact-Finding Hearing, including agreements to modify the prior Agreements as well as agreements to retain other language of the prior Agreements without change. The Fact-Finder recommends inclusion of these tentative agreements in the new Agreements.

SUBMISSION

This Fact-Finding Report is submitted by:



John T. Meredith, Fact-Finder

Shaker Heights, Ohio
April 6, 2009

CERTIFICATE OF SERVICE

This is to certify that the foregoing Fact-Finding Report was sent to the State Employment Relations Board by Regular U.S. Mail and was served upon the parties listed below by overnight mail this 6th day of April, 2009:

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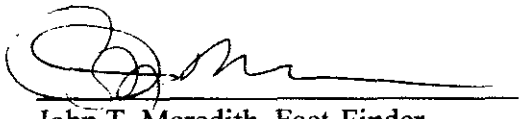

John T. Meredith, Fact-Finder

APPENDIX A
PATROL OFFICERS UNIT

Section A-1: Hourly Wage Matrix – Patrol Officers Unit

STEPS*	A	B	C	D	E	F	G
3.25% *March 2009	$21.21	$22.27	$23.39	$24.57	$25.81	$26.46	$27.12
3.0% *March 2010	$21.84	$22.94	$24.09	$25.31	$26.59	$27.26	$27.94

*** One-year interval between each step. Hourly pay rates are effective with the first full payroll period in March.**

Between September 1 and October 1, 2010, either party may, by written notice to the other, reopen negotiations for wage rates to be effective on or after the first pay period in March 2011. This wage re-opener provision shall cease to have effect upon the expiration of this Agreement (February 29, 2012).

APPENDIX A
SERGEANTS UNIT

STEPS*	A	B	C	D	E
3.25% *March 2009	$28.86	$29.57	$30.31	$31.07	$31.84
3.0% *March 2010	$29.72	$30.46	$31.22	$32.00	$32.79

*** One-year interval between Steps A, B and C, two-year intervals between Steps C, D and E. Hourly pay rates are effective with the first full payroll period in March.**

Between September 1 and October 1, 2010, either party may, by written notice to the other, reopen negotiations for wage rates to be effective on or after the first pay period in March 2011. This wage re-opener provision shall cease to have effect upon the expiration of this Agreement (February 29, 2012).

APPENDIX A
COMMUNICATIONS OFFICERS, ACO, RECORDS CLERK

STEP*	A	B	C	D	E	F	G	H	I
0.00%**									
*Mar 09	$17.94	$18.81	$19.30	$19.77	$20.26	$20.75	$21.78	$22.32	$22.88
3.00%									
*Mar 10	$18.48	$19.38	$19.88	$20.36	$20.87	$21.37	$22.43	$22.99	$23.47
Records Clerk									
*Mar 09	$16.80	$17.64	$18.08	$18.54	$19.00	$19.47	$20.46	$20.97	$21.50
*Mar 10	$17.30	$18.17	$18.62	$19.10	$19.57	$20.05	$21.07	$21.60	$22.15

*** One-year interval between each step. Hourly pay rates are effective with the first full payroll period in March.**

****Jeff Studer and Donna Thomas shall receive a one-time lump sum payment equivalent to 4% of their annualized compensation based upon 2080 hours.**

Between September 1 and October 1, 2010, either party may, by written notice to the other, reopen negotiations for wage rates to be effective on or after the first pay period in March 2011. This wage re-opener provision shall cease to have effect upon the expiration of this Agreement (February 29, 2012).