

STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD

STATE EMPLOYMENT
RELATIONS BOARD

2011 JUL -8 P 2:31

FRATERNAL ORDER OF POLICE,
LODGE 67

Union

and

THE CITY OF BEDFORD

Employer

CASE NO.: 2010-MED-09-1180

2010-MED-09-1181

FACT-FINDER:
STANLEY WIENER

JULY 6, 2011

A fact-finding hearing was held on May 27, 2011, at the Bedford City Hall, 165 Center Road, Bedford, Ohio.

Representing the FRATERNAL ORDER OF POLICE, LODGE 67 ("Union"), was Robert M. Phillips, Esq. Appearing and testifying on behalf of Union were: Kris Nietert; Paul Kellermann; and Mary Schultz, CPA, CFE of Sargent and Associates.

Representing THE CITY OF BEDFORD ("City") was Kenneth A. Schuman, Esq., Law Director. Also appearing and testifying on behalf of the City were: Henry J. Angelo, City Manager and Frank Gambosi, Finance Director.

I. BACKGROUND

Bedford is a city of approximately 14,000 residents. The Union represents 35 patrol officers and 10 officers. Both units have negotiated jointly with the City. The current three-year contracts expired December 31, 2010.

Several meetings were held by the Union and City. Negotiations for a new contract commenced in November 2010. Little progress was made and mediation was attempted on April 26, 2011.

Mediation was not very successful. However, several items that had tentatively been agreed upon were finalized at the hearing. They are identified for the record:

1. Field training officers;
2. Section 1 Article XXIII;
3. Section 5 Article XVI;
4. Working Election Day;
5. Sick leave, define immediate family member;
6. Funeral leave amendment;
7. Jury duty

II. POSITIONS, FINDINGS, AND RECOMMENDATIONS

For all of the issues discussed below, I have taken into consideration the factors set forth in Ohio Revised Code, Section 4117.14(G)(7)(a) through (7)(f), together with the testimony of all participants and numerous exhibits.

III. ISSUES AT IMPASSE

- A. Wages
- B. Health insurance
- C. Duty hours
- D. Sick leave
- E. "Me too" clause

- F. Uniform allowance
- G. Shooting allowance
- H. Shift differential
- I. Compensatory time
- J. Tier – pay schedule for new hires

A. Wages

City Proposal: 0% wage increase for 2011, 2012, and 2013

Union Proposal: 3½% increases for 2011, 2012, and 2013

City Position:

The City proposal is based upon the current economic conditions, as well as the state budget which will reduce local funding. Also, the reduction of the Commercial Activity Tax and the eventual elimination of the estate tax. The Ohio current budget calls for a 25% reduction in the local government fund.

The City ended 2010 with \$6,283,295.00 in the general fund as compared to 2006 with \$10,134,000.00. Thus, in four years, the general fund was reduced by \$4,000,000.00.

In 2009, the City passed an \$8.9 million levy that raised \$2.3 million, which enabled the City to project a balanced budget.

However, the state cuts will reduce the City's revenue during the next three years forcing the City into a deficit position. Income tax receipts are declining.

The City's largest taxpayer, Ben Venue Laboratories paid in excess of \$3.5 million

in 2006. The City has received no corporate net profit taxes from Ben Venue in 2009 and 2010, and none is expected for 2011.

MOODY'S INVESTOR'S SERVICE has given Bedford an A1 Bond rating. To maintain the rating, the City should maintain a reserve fund of \$5.8 million.

Currently, the Union salaries compare favorable with the police in northeastern Ohio. The annual salaries are: patrol officers \$62,707.00; sergeants, \$73,589.00; and, lieutenants, \$80,845. Other benefits include a \$900 shooting proficiency, 16 holidays, longevity payments, and double time and a half on holidays.

Union Position

Prior to 2010, the Police Department was funded by the general fund. In 2009, the City passed an \$8.9 million "Safety Forces Levy". The Police Department is now funded by the general fund and the Safety Forces Levy.

The City has been able to maintain its general fund and reserve fund of \$5.8 million. The general fund and the reserve fund, added together, equal \$6,529,000.00 or a 42% carryover.

For 2011, general fund revenues are estimated at \$15,407,000.00, which is \$260,000.00 higher than collected in 2010. Also, the City anticipates \$225,000.00 more income tax in 2011.

The total effect of the Ohio budget cuts, which are proposed, would be a loss of revenue of approximately \$452,000.00 by June 30, 2013.

The cuts would not affect the Safety Forces Levy Fund, nor would they have a serious impact on the \$6.5 million dollar carryover of the general fund.

The general fund contribution to the Police Department has been reduced over the past year. For 2010 and 2011, the Safety Forces Levy, plus budget cuts from the Police Department, will have saved the general fund over \$2.5 million per year. These savings have been offset with budget increases to other City Departments. There is sufficient funding for Union wage and benefit increases.

A 1% wage increase would cost \$37,055.00, including retirement contribution.

FINDINGS:

The City's proposal of no wage increases for three years is based upon the general economic conditions; Ohio proposed revenue reductions and a decline in tax.

Its proposal is not based on the economic condition of Bedford. The City will be able to maintain its healthy reserve fund.

I find that the City wages do compare favorably with the neighboring communities, however, the City would not be comparable if there were no wage increases for three years.

I further find that the City has the financial ability to increase wages and benefits for the contract effective January 1, 2011.

RECOMMENDATIONS:

I recommend the following wage increases:

Effective January 1, 2011, a 1% increase; effective January 1, 2012, an additional increase of 1.5%; effective January 1, 2013, an additional increase of 2%.

B. Health Insurance

City Proposal:

Implement an employee insurance contribution of 15% of the monthly COBRA rate as determined by Medical Mutual of Ohio. Increase prescription co-pays to \$30.00 for brand name drugs and \$50.00 for drugs off the formulary.

Union Proposal:

No change in health care; however, Union accepts the City proposal for the increase in prescription co-pays.

City Position:

The City maintains an excellent health care plan. It is a self-insured plan with no annual deductibles. Employees pay 20% of certain claims up to a yearly maximum of \$400.00 for a single plan and \$800.00 for a family plan. The employees do not pay a monthly contribution amount.

Total health care costs for 2010 were \$1,924,894.00 or 13% of the general fund revenues. It is estimated that the costs for 2011 would be \$2,268,580.00.

It is unfair that the City is required to absorb the majority of this expense while employees pay but a fraction, especially when compared to communities of comparable size where plans call for \$37.00 - \$48.00 per month for a single plan and \$133.00 - \$137.00 for a family plan.

The City's COBRA rates are \$1,310.49 for a family and \$525.13 for a single plan. To require the employees to pay 15% of the COBRA rates on a monthly basis is reasonable. The employee contribution would replace the current plan.

Union Position:

The Union has agreed to the City's prescription proposal.

As to the health insurance, the annual costs to the City have remained fairly stable. From 2004 through 2010, the average costs were approximately \$2 million per year. The costs for 2010 were below budget.

The City is in a financial position to maintain the present program without requiring monthly contributions from the employees.

FINDINGS:

The City insurance plan is unique and generous. The costs have remained fairly stable over the past few years; but it is certain that they will increase.

RECOMMENDATIONS:

For the years 2011 and 2012, I would maintain the current program. Commencing 2013, I recommend that the current program be eliminated and replaced by an employee contribution program. That commencing January 1, 2013, the employees shall be required to pay \$52.00 a month for a single plan and \$130.00 a month for a family plan.

C. Duty Hours:

Union Proposal:

“Employees shall have the right to exchange shifts (trade time), when the exchange does not interfere with department operations and is approved by supervisory authority. Said trades must be in writing. All trades shall be by like rank unless exceptions are approved by shift commanders. All trades must be completed within one (1) year of their occurrence. All shift training, sick leave or other issues, are the sole responsibility of the officers involved in the trade.”

City Position:

The current policy allows police to trade shifts within a pay period. This request does not affect wages, hours of work, or conditions of employment, and is not negotiable.

D. Sick Leave:

Union Proposal:

Add number 9 to Article XIX:

“9. Use of sick leave shall not act as an impediment to an officer’s ability to engage in previously approved secondary employment.”

Union Position:

This provision would allow officers to work a side job after using sick time, but before returning to work.

City Position:

The current policy prohibits officers from working a side job after using sick time, unless the officer returns to work. This is a policy that also is not negotiable since it does not affect wages, hours of work, or conditions of employment.

FINDINGS AND RECOMMENDATIONS:

For the record, I would take issue with the City in its legal conclusion that issues C and D are not negotiable. That being said, however, I see no reason to change the current City policies.

E. “Me Too”

Union Proposal

MEMORANDUM OF UNDERSTANDING

This Agreement supplements the Collective Bargaining Agreement between the City of Bedford (“City”) and the Fraternal Order of Police, Lodge 67 (“FOP”), effective January 1, 2011, through December 31, 2013, and is the complete and final agreement.

1. In the event that the Union representing any other safety unit (non-strike) receives a contract resolution through negotiation, fact-finding, and/or conciliation for calendar years 2011-2013 greater than that safety force currently has and that is economically more beneficial than agreed to by the FOP, the City and the FOP will meet and renegotiate the specific matter(s) at issue, pursuant to R.C. 4117.14. The FOP shall make its request to reopen negotiations for each subject to which it believes this agreement applies no later than 60 days after the safety unit’s contract becomes effective. The Employer shall have the right to present evidence that other changes involved less or reduced benefits or that provisions in the FOP contract are more beneficial. The City agrees to make available to the

FOP the collective bargaining agreement for the other safety unit within 30 days of its adoption.

2. This Memorandum of Agreement shall be effective and remain in force and effect from the date the Collective Bargaining Agreement is adopted until 60 days after the execution of the other safety force's Collective Bargaining Agreement.

3. This Memorandum has no precedent and shall not be offered as evidence in any fact-finding or conciliation hearing involving a successor agreement.

City Position:

The City of Bedford does not accept "me too" provisions.

FINDINGS:

I find that the Memorandum is reasonable.

RECOMMENDATION:

I recommend that the "Memorandum of Understanding" set forth above be part of the contract, effective January 1, 2011.

F. Uniform Allowance:

City Proposal:

The uniform allowance should be prorated based on time worked during the year before retirement.

Union Proposal:

No change.

FINDINGS:

The City withdrew its proposal during the hearing.

The Union proposed "no change".

RECOMMENDATION:

The clothing allowance shall remain the same.

G. Shooting Allowance:

City Proposal:

The shooting allowance should be prorated based upon the time the officer worked with the City. No increase during the term of the contract.

Union Proposal:

No proration. Increase allowance to \$1,000.00 in 2011; \$1,250.00 in 2012; and, \$1,500.00 in 2013.

City Position:

The shooting allowance should be prorated based upon the months of the calendar year that the employee is employed by the City.

The current allowance of \$900.00 is excessive and compensates for a skill that is a job requirement.

Union Position:

The employee must meet Ohio requirements. When obtained, he should receive the scheduled allowance.

Increase allowance to \$1,000.00 in 2011; \$1,250.00 in 2012; and, \$1,500.00 in 2013.

FINDINGS:

There has been no shooting allowance increase during the three years of the last contract.

RECOMMENDATION:

Increase the shooting allowance to \$950.00, effective January 1, 2012.

H. Shift Differential:

Union Proposal:

Improve the differential to \$1.50 per hour for the 7:00 p.m. to 7 a.m. shift and \$1.15 for the afternoon shift.

City Proposal:

No change.

City Position:

The current differential is \$1.35 per hour for the 7:00 p.m. shift and \$1.00 for the afternoon shift. The officers requested, and received, 12 hour shifts which provide them with more time off.

FINDINGS:

I find that the current differential is reasonable.

RECOMMENDATION:

I recommend no change in the differential.

I. Compensatory Time:

Union Proposal:

Allow 40 hours to be sold back at any time.

City Position:

Currently, officers are paid for their compensatory time at their retirement at the rate of pay at retirement.

Allowing a sell back of 40 hours represents a huge financial burden and could not be budgeted, and would be another financial drain.

FINDINGS AND RECOMMENDATION:

The City's objection is well taken and I recommend no change.

J. Tier:

City Proposal:

A newly hired patrolman shall reach the top wage after four years, rather than the current two year period.

City Position:

This would help the City financially and it does not affect any current employees.

Union Position:

Eventually, a two tier system creates animosity among the employees.

FINDINGS:

It is not usual that an employee reaches the top wage within two years.

None of the current employees would be affected by the change.

RECOMMENDATION:

Effective immediately, newly hired employees shall reach the top wage by three years.

Respectfully submitted,



STANLEY WIENER
Fact-Finder

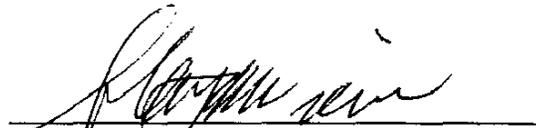
CERTIFICATE OF SERVICE

True copies of the foregoing report were sent this _____ day of July, 2011, by

Federal Express, to the following:

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July 6, 2011

J. Russell Keith
State Employment Relations Board
65 East State Street, 12th Floor
Columbus, OH 43215-4213

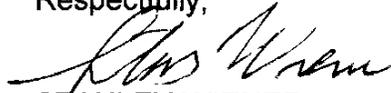
Re: CASE NOS.: 2010-MED-09-1180
2010-MED-09-1181
F.O.P. Lodge 67 - City of Bedford

Dear Mr. Keith:

Enclosed, please find a copy of the Fact-Finding Report for the above matter.

Thank you.

Respectfully,


STANLEY WIENER

SW/trnk
Enclosure

2011 JUL - 8 P 2: 31

STATE EMPLOYMENT
RELATIONS BOARD

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NY



11/13

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