

IN THE MATTER OF FACT FINDING

BETWEEN

MAHONING COUNTY COMMISSIONERS/MAHONING COUNTY 911

AND

FRATERNAL ORDER OF POLICE, OLC, INC.

SERB CASE # 13-MED-03-0326

Robert G. Stein, Fact-finder

LEAD ADVOCATES FOR THE UNION:

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INTRODUCTION

The parties to this matter are the Fraternal Order of Police (hereinafter “Union”) and the Mahoning County Commissioners, 911 Service (hereinafter “Employer,” “911” or “County”). The Employer is located in northeast Ohio. The bargaining unit is comprised of approximately fourteen (14) employees who hold position of Operator in the 911 bargaining unit (See Collective Bargaining Agreement) The Collective Bargaining Agreement (“Agreement”) runs from June 30, 2011 through June 29, 2014. The issue before the fact finder is a one-year reopener on wages retroactive to the first full pay period in June 2013.

General/State/Local Economic Overview: Caution and disquiet have marked the years since the “great recession” was declared to have ended on a national level. Of course, what is often declared to be ended nationally does not always translate at the local level particularly in Ohio’s private and in the public sectors and in Mahoning County, which have had more than their share of job losses prior to and as a consequence of the “great recession.” Recovery has taken time since the recession really took hold in 2008 and has been marked by considerable national political discord. However, in spite of this extended gridlock perpetuating fiscal uncertainty, the private sector has continued to add jobs (see latest BLS on 215,000 jobs created in November, and 184,000 jobs created in October, both exceeding expectations and resulting in a lowering of the national unemployment rate to 7%), the stock market has recovered and exceeded levels previously reached in 2008, and the index of manufacturing activity continues to rise for the sixth straight month, “signaling strong demand at home and abroad that could boost growth prospects into next year.”

(WSJ), 12-3-13. One sign of the growing strength of employment is in manufacturing, adding some 27,000 jobs to elevate the factory employment nationally above 12 million for the first time since 2009. Moreover, factory workers are averaging 4.5 hours of overtime per week, which is an increase of 10% over last year. (Josh Boak, Associated Press, 12-9-13) Yet, caution still exists and there is still pause for great concern in the ranks of the numerous unemployed, for which Ohio has a considerable share. Currently there are more than 4 million people who have been unemployed for 6 months or more. The aggregate number of former employees who have been unemployed for more than 18 months has not changed significantly in spite of the aforementioned improvement in the economy. Complicating the future more is the fact that extended unemployment benefits (28 weeks beyond the average of 26 weeks) for approximately 1.3 million Americans (approximately 40,000 in Ohio) are set to expire on December 28, with the addition of another 800,000 who will see their unemployment benefits expire during the first two months of 2014, unless Congress approves another extension. A budget deal recently passed by Congress does not include relief for these individuals and the impact of this amount of people losing their benefits remains to be seen.

Until recently the economy in Ohio has shown signs of steady improvement since the onset of a very long and severe national recession, yet in the last year the data indicates that the progress of job growth in Ohio has stalled with the rate of unemployment increasing in contrast to the prior year of improvement following the declared end of the recession and in contrast to the national economy. In November of 2012 the Ohio unemployment rate was 6.8% (389,594 unemployed), one year later it is 7.4% (426,789 unemployed). During this same period the national unemployment rate went from 7.8% to 7.0%. (BLS Current Population Survey) Mahoning County, which has lost approximately 20% of its population since 1970 and which saw its manufacturing based decline by more than 66% from 1970 to 2000, finally appears to be in a state of positive economic development with some hope for the future. (See U.S. Census Bureau, Quick Facts Report, Sarah Boyarko, VP Regional Chamber of Commerce; Valley Economic Development Report Card for Youngstown Warren Region, 2013) General Motors certainly appears to be doing better and new jobs in the service and health sectors are projected to be added to the area, which is good news.

However, the indication that Ohio's economy is resulting in rising unemployment, the loss in population in Mahoning County, the loss of higher paying manufacturing jobs, and the need for a retrained and higher educated workforce are sufficient reasons to act with caution.

These items were specifically addressed by the fact finder in this report and are based upon the evidence and arguments proffered by the Union and the County. The recommendations contained in this report are intended to conform to the statutory criteria that all fact finders must follow.

CRITERIA

OHIO REVISED CODE

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

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

The full rationale and arguments submitted by the parties can be found in their position statements. For purposes of this report the summary the parties' positions on the issue of wages is as follows:

Summary of Union's Position:

The Union's position on the issues can be found in its Position Statement. It is proposing to increase wages in this reopener that is found in Article 33 of the Agreement. It reads:

"The parties agree to a wage reopener effective in the first pay period beginning in June 2013."

The Union argues that the bargaining unit has not had a wage increase since 2008, which is reflected in the current table found in Article 33. The Union is proposing a five percent (5%) increase. The Union cites the County's good bond rating from Moodys as evidence that the County is better off financially than it claims. The Union asserts that the take home pay of the bargaining unit members has declined, with wages remaining the same since 2008 and the cost of employee health care premiums rising from zero in 2000 to approximately \$180 every two weeks currently. The Union estimates that employees in the bargaining unit are taking home \$400 less per year in wages in 2013 than they did in 2008. Moreover, the 911 unit, which at one had time 22 employees, now must perform the same amount of work with 14 employees.

Summary of Employer's Position:

The Employer's position on the issues can be found in its Position Statement. It is proposing no wage increases for the 2013 wage reopener. The Employer cites its current

precarious financial position in support of its proposal to once again maintain wages where they were in 2008. The Employer admits that its financial situation has improved with tax collections running \$600,000 to \$700,000 above anticipated levels and that it has a good bond rating, due in pertinent part to the County's ability to raise taxes. However, the County points out that much of its income has to service a large and growing debt that will increase in 2014. In 2014 the County is seeking an increase in sales tax of .25% in order to raise additional revenue.

Discussion:

The position of the County is clear, and while it is encouraging that its financial condition is improving, the improvement is slow. It is also clear from the evidence that a more rapid recovery will also depend upon the willingness of the citizens of the County to help through the generation of additional revenue. Yet, the Union made a very compelling case for the plight of the 911 bargaining unit members, which has lost over 36% of its employees in the past several years with no evidence that the workload has proportionally diminished. It is one thing to remain stagnate in terms of wages, which many employees in Ohio have had to endure, including thousands of state employees, however, it is quite another to actually be required to work more, while having your personal income gradually eroded year after year. In the long term this situation is unsustainable for employees who are providing a vital service to the County. The County does have carryover funds (a greater portion of which is being set aside) that in part could help in restoring the same value as the income earned by employees in 2008 as a fair starting point for the future. Clearly, the County is facing challenges, yet revenue must be generated in order to restore fundamental fairness to the employees who are serving the citizens of the County.

RECOMMENDATIONS:

In consideration of the current difficult and slowly improving financial condition of the County and the importance placed upon the need for the County to make the tough decisions to generate additional sources of revenue, and the awareness that for a very a long period of time the bargaining unit has experienced substantial wage erosion that cannot be reasonably overlooked and needs to be addressed, the following recommendation is made regarding the reopener for 2013:

- A. Contingent upon the passage of a County wide sales tax levy prior to the ending date of the Agreement on June 29, 2014, each bargaining unit member (in lieu of receiving retroactivity back to June 30, 2013) shall receive a lump sum payment equivalent to 2.0% of their salary in effect at the time the levy was voted upon and the lump sum payment shall be included in the first full pay period following the passage of the levy. Additionally, the wage schedule shall be adjusted upward by 2.0% at the end of the Agreement (effective June 29, 2014), and shall serve as the new salary basis regarding negotiations for a successor Agreement.**
- B. If the sales tax levy is placed on the ballot and does not pass prior to the expiration of the Agreement there shall be no lump sum payment regarding the 2013 reopener and wages shall remain the same.**
- C. If no sales tax levy is placed upon the ballot prior to the end of the Agreement, the wage schedule shall be adjusted upward by 2.0% at the end of the Agreement (effective June 29, 2014), and shall serve as the new salary basis regarding negotiations for a successor Agreement.**

TENTATIVE AGREEMENT

Any tentative agreements reached by the parties as well as any current language that is not changed or not addressed above shall be considered to be recommended in the successor Collective Bargaining Agreement.

The fact finder respectfully submits the above recommendations to the parties this ____ day of December 2013 in Portage County, Ohio.

Robert G. Stein, Fact finder