

Received before business hours on May 15, 2015, processed same day

STATE EMPLOYMENT RELATIONS BOARD

OHIO PATROLMEN'S BENEVOLENT ASSOC. : CASE NO. 2014-MED-10-1396
: :
: :
UNION :
And :
CITY OF MIAMISBURG :
: :
EMPLOYER :

REPORT AND RECOMMENDATIONS OF THE FACT FINDER
May 15, 2015

FACT FINDER
I. BERNARD TROMBETTA
6590 Creekside Trail

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Solon, Ohio 44139
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I. DATE AND PLACE OF HEARING

This hearing was held on April 15, 2015 at the Carnegie Center in Miamisburg, Ohio.

II. PARTIES TO THE HEARING

The parties are: Ohio Patrolmen's Benevolent Association, hereinafter sometimes referred to as the "Union" or "OPBA" and the City of Miamisburg, hereinafter referred to herein as the "Employer" or the "City".

III. APPEARANCES

The following persons appeared on behalf of the respective party as noted:

For The Union

Joseph Hegedus	Labor Counsel, OPBA
Jon Thompson	Union President
Bill Kelly	Union Representative

For the City

Donald L. Crain	Attorney for the City
Alexander L. Ewing	Attorney for the City
Dody R. Bruck	Assistant City Manager
John Sedlak	Police Chief
Kathy Weisgarber	Director of Human Res.
George S. Perrine	Finance Director
Jennifer Johns	Asst. Finance Director

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IV. WITNESSES

No witnesses were called by either party. (See the following explanation.)

V. CRITERIA USED BY THE FACT FINDER

In making the foregoing recommendations, the Fact Finder has given Consideration to the following criteria prescribed by 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 the determination of issues submitted in mutually agreed upon dispute settlement procedures in the public service or in private employment.

VI. HISTORY

This is a contract renewal. The unit consists of the 5 full-time police department sergeants. The most recent one year agreement

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expired on December 31, 2014. Though the patrolmen and sergeants are both represented by the OPBA, they are separate units and have separate contracts.

The City is located in southwestern Montgomery County and operates under a City Manager/ City Council form of government. It has approximately 20,000 residents in an area of about 12.4 square miles. Its employment base relies upon manufacturing as well as parts suppliers to the automotive industry. Wright-Patterson Air Force Base employs numerous civilians as well as active duty personnel many of which are likely residents. The area is also home to many Air Force retirees.

A few years ago, NCR moved its national headquarters to Atlanta and the area lost a substantial number of higher paying jobs. The DOE closed the Mound facility. The area exchanged 2100 federal employees for approximately 250 private sector jobs generated by industries operating on the former Mound site. Additionally, a large GM plant closed with another significant loss of jobs, but the cited job losses occurred a number of years ago.

The area is home to a number of colleges and universities, including the University of Dayton and Wright State. These schools produce many graduates necessary for work in the education, technological, medical and health care industries in the slow, but gradual transition from a

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blue collar economy to a white collar market.

Commercially the area is not lacking in shopping opportunities. There are many shopping centers and strip malls, some located within and others just outside municipal boundaries. These operations provide job opportunities and the resultant taxable income for the City.

The area is served by numerous health facilities, including Miamisburg's largest employer, the Kettering Health Network which was recently expanded. Wright-Patterson AFB Hospital is a major hospital in the USAF chain of medical facilities and the VA has a medical facility which serves the community. The University of Dayton is starting a physician's assistant program. Other major employers include Avery Denison, Yaskawa America, Evenflo and Excellitas Technologies.

Southwestern Ohio, like many other areas in the state, has shown signs of continuing recovery from the 2008 recession and the automotive bailout. Those jobs are likely gone forever, but other jobs are taking their places. It is a slow but continuing process. Property values declined by about 5% as the result of a reappraisal in 2011 which resulted in a loss in real estate taxes of \$125,000, but a 2014 revaluation slowed the decline to .4%. The slowing decline should be reflected in real estate tax collections for 2015.

The City owns and operates two golf courses, a 9-hole and an 18-hole layout. The City defended their operation as necessary in order to

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maintain its image as an upscale, desirable residential community. The courses do not operate at a profit.

The City experienced a downturn in revenues due to the elimination of the Personal Property Tax, the Estate Tax and slashing local tax sharing funds, all of which went into the General Fund. The impact of the elimination of those revenue sources were incurred a few years ago, and the City made adjustments to bring its expenditures in line with its income by joining with the township in a fire district; joining a district dispatching service for fire and police, privatization of its refuse department, job elimination and the cooperation of its unionized workers to accept either smaller and, in some cases, no wage increase contracts.

The residents voted to increase revenues by increasing the municipal income tax to 2.25% from 1.75% in 2010. According to the Finance Manager, this rise was sold to the voters on the basis of capital improvements and not to bolster the general fund in order to pay raises for municipal workers. The tax increase permitted the City to complete two major infrastructure improvements- Linden Road and Vanguard- which had been placed on hold due to the recession and the imbalance between revenues and income. Increasing taxes along with cutting expenses together with the slowly recovering economy permitted the City to maintain an acceptable level of municipal services, but the City continues to maintain a watchful eye on expenditures.

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The City also made a number of capital purchases by purchasing new police department and public works department vehicles and took over the management of the after-school programming at the Miamisburg Youth Center. It launched a feasibility study for a wellness center in conjunction with the township, school system and Kettering Health Foundation. (June 23, 2014 letter of Finance Director George Perrine; Union Position Statement Tab B)

VI. MEDIATION

The parties engaged in a good faith attempt to mediate the outstanding issues raised in their respective Position Statements. Numerous proposals and counterproposals were traded and discussed.

The parties apparently reached an agreement on revamping the Educational Incentive article (Art. 26) by adding a fourth step of eligibility and changing the payout from a lump sum to one based on hours worked (Section 26.02).

The following reflects the Fact Finder's understanding of the changes the parties reached on Section 26.02 by adding a new step: (D) Completion of 30 credit hours at an accredited college or university- \$.10 per hour; The lump sum for steps A thru C must be changed to an hourly rate, but again the Fact Finder was not furnished with the rate on which the parties agreed. If they cannot agree on the language

Received before business hours on May 15, 2015, processed same day changes, then the Fact Finder recommends that the standard number of hours (2,080) be used. [In the case of one with a baccalaureate degree, \$600 annual payment, the payment would now be \$.288 or rounded off to \$.30 per hour]. Language regarding the period of compilation would have to be inserted and overtime hours addressed. The Fact Finder recommends that overtime hours be compensated on the basis of the flat rate and not at time and a half. If the parties do not sign off on the changes to this article, then the foregoing constitutes the recommendation of the Fact Finder upon which they may vote.

Section 26.01: Current language to be retained

Section 26.02: An employee who is pursuing a degree at or who has received a degree from an accredited college or university shall be eligible to receive the following additional payment on the first pay period of each month based upon the number of hours worked during the preceding monthly period:

- A. Upon attaining 30 credit hours from an accredited college or university: \$.10 per hour
- B. Associate Degree: \$.20 per hour
- C. Baccalaureate Degree: \$.30 per hour
- D. Graduate Degree: \$.40 per hour

Section 26.03: Current language shall be retained.

VII. RECOMMENDATIONS OF THE FACT FINDER

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IN GENERAL: There were a number of outstanding issues remaining, most of which centered around wages and/ or costs. The parties exchanged position statements and each furnished the Fact Finder with a binder filled with economic data and wage and benefit comparisons and newspaper articles. The mediation session attempted to resolve the outstanding matters by separating and using the Fact Finder to convey proposals and counter proposals between them.

IMPASSE: After exchanging proposals, sometimes many variations on the same issue, it became clear that the parties had reached an impasse without being able to resolve a single matter. The parties decided that presenting separate arguments on the issues would be repetitive and decided to present the matter to the Fact Finder on the basis of the arguments made during mediation and the evidence contained in their respective binders which the Fact Finder accepted in Toto.

Neither party is a stranger to this process, having gone to fact finding/ conciliation with the patrolmen in December, 2011 (Conciliator Margaret Nancy Johnson and Fact Finder Mitchell Goldberg); fact finding with the Teamsters in October, 2014 (Fact Finder Mitchell Goldberg) and fact finding with the patrolmen in December 2014 (Fact Finder John Meredith).

The conciliation award and the fact finding recommendations are relevant to the present matter. The financial condition of the City,

Received before business hours on May 15, 2015, processed same day and hence the ability to pay the Union demands, can be traced through these awards, short of intervening circumstances, particularly considering Meredith's determinations and the instant case since the time span is so short.

a. Conciliation Report of Ms. Johnson

This matter arose under a wage reopener clause for the final two years of the patrolmen's contract. The City urged the adoption of the fact finder's [Mitchell Goldberg] recommendation. The Union accepted the health care recommendations, but took issue with the wage recommendations. The conciliator held that health care could not be separated from wages since both involved costs, particularly long-term costs, to the City.

The Conciliator agreed with the City's contention that though the unit did not receive a pay increase, the two \$1,000 lump sum payments had to be considered. The City contended that the first lump sum payment was the equivalent of a 1.63% increase in "money in the pocket" and was "not to be marginalized". The fact finder found that the patrolmen's contract had never been directly tied to increases in the CPI and had surpassed the CPI increases on occasion. The Conciliator held that the recommendations of the fact finder warranted consideration as one of the factors to be relied upon in by the conciliator.

The conciliator, then, examined the ability of the City to pay for

Received before business hours on May 15, 2015, processed same day a wage increase as opposed to a lump sum payment and weighed the initial costs against the long term costs which are considerable especially over several years. She opted for a "conservative approach relative to budgetary management." On the other hand, the Union cited improved revenue streams, including the then recently implemented income tax increase (now 4 years old) which was noted by the fact finder to address disparity between revenue and expenditures and not to expand the municipal budget, to maintain service levels, to enable the City to proceed with capital improvements and continue to operate recreational facilities and contain the City's diminishing reserves. On the other hand, the Union cited the City's CAFR report which indicated that its finances were stable and growing and projected a 2.9% increase in income tax revenues for 2010. The conciliator then noted that in determining issues of employee wages, assets compared with liabilities are less persuasive than revenues compared with expenditures.

The City has addressed many of the problems created by its expenditures exceeding its revenues for some time and made significant cuts in its spending. The conciliator's award (as well as the arguments made at the present hearing) cited numerous examples of such cuts so there is no need to repeat them. The City was determined to restore its general fund reserve to 25% [which is the benchmark percentage which seems to be a magic percentage for all cities].

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The Union maintained that a recovery was underway and that public sector entities will be able to emerge. On the other hand, the fact finder noted and the conciliator agreed, that the recovery is fragile and "uncertainties will remain insofar as any meaningful economic recovery in the next several years and elected to adopt a conservative approach relative to budgetary management was still necessary.

The conciliator agreed that the Union's wage proposal was quite reasonable, but that the true issue was not to determine which wage offer was the most reasonable, but any wage proposal had to take into consideration the entire financial package. [The conciliator appears to have concluded that the City had the ability to pay a wage increase, but] the ability to pay a wage increase does not constitute a mandate that such an increase be implemented, but consideration of ability to pay is a component with other relevant factors, such as internal comparables [i.e. wage increases due other unionized, non-safety forces; the percentage increases which would then be due other City employees) and determined that percentage increases in the base salaries of police officers should be kept fairly comparable to wage increases given other City employees for morale purposes and good faith between the employees and the City.

The conciliator noted that to ensure consistency among City employees, the fact finder recommended a "Me Too" clause which was

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included in the City's offer herein.

The conciliator then examined external comparables which she believed would be relatively unattainable since public sector contracts will always have a high end and a low end. She drew an external comparable between the City and neighboring Huber Heights and then carefully drew an analysis between the total economic package, which included wages, uniform allowances, longevity payments, and more importantly health insurance. Surrounding cities have diverse health plans for which employees pay varying percentages- from 0% to 15%, [and those figures are not entirely accurate since there are many different plans with many different coverages, deductibles and co-pays]. The conciliator, however, concluded that "while wages paid by the City may be slightly lower than the average cited by the Union, its (the City's) medical insurance remains a significant economic benefit to the members of the Police unit. The fact finder then concluded that a "soft-freeze" for 2012 and 2013 would not cause a substantial variance in the comparisons with other area departments and the conciliator agreed that she could find no basis for modification of the recommendations. The award adopted the City's offer of a wage freeze for the final two years of the contract (this was a wage reopener for those two years) with a \$1,000 lump sum payment due July 1, 2012 and adopted the City's "Me-Too" offer for those final two years.

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b. The Fact Finding Report of Mitchell Goldberg

Though this case did not involve safety forces, it did touch upon a critical issue impacting upon this matter which was, of course, an increase in wages. The Fact Finder made his recommendations based upon the economic evidence produced at the hearing and gave due regard to the City's financial condition and the projections of the financial condition over the life of the contract. He then considered internal comparisons and external comparisons and recommended a 2% wage increase for 2014 and a -0-% wage increase for 2015 and 2016 with a "Me-Too" clause for each year capped at 2.5% for 2015 and 2.75% for 2016.

Since this matter did not involve safety forces, there was no right to conciliation. Nevertheless, these recommendations were adopted into the collective bargaining agreement.

c. The Fact Finding Report of John Meredith

These recommendations were issued on January 17, 2014 and involved the same parties as the first cited matter. The collective bargaining agreement expired in June 30, 2013, but was extended for 6 months, through December 31, 2013. The parties reached an impasse and a fact finding hearing was scheduled for December 17, 2013. Meredith's recommendations could have gone through conciliation, which neither party requested and his findings became a part of the collective bargaining agreement.

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Meredith's findings are important to this matter for a number of reasons, including the fact that his case involved the same parties as did Conciliator Johnson's, as well as the short time period between the two and the short time period between the patrolmen's fact finding and this fact finding, barely 16 months. Meredith's recommendations included a detailed analysis of the financial condition of the City and he concluded that the passage of the income tax increase and cutting expenses stabilized and improved the City's finances, but the gains were partially offset by loss of revenues formerly provided by the estate tax, a reduction of the personal property tax and slashing local government funds by the state. Nevertheless, he concluded that the City's finances remain stable. He found that the City predicted a year-end balance in 2014 of \$5,526,315 or 29% of projected revenue for 2014. He discussed the ramifications that passage of H.B. 5 would cause to City finances [H.B. 5 has still not passed] and even if passed, the present bill requires a gradual phase-in from 2017 to 2022. He noted that due to the lowering of interest rates, the City has not reaped its usual interest income from the sale of a municipal utility in the 1960's. Meredith also noted that the City workers generally received the same percentage wage increases with few exceptions.

External comparables established that the Patrolmen were well below Oakwood in the pay scale, but ahead of Miami Township by some

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\$10,000. Meredith found that neither Oakwood nor Miami Township were a relevant comparison to the City, but the City remained in the middle of the pack while many comparables are scheduled for increases from 0% (Middletown) to 3% (Springboro) for 2014 . Meredith recommended a wage increase of 2.0% for 2014. [Since health insurance was not an issue in the present matter, there is no need to discuss its costs and benefits, but this Fact Finder notes that the Miamisburg plan is a significant benefit that cannot be discounted.

After reviewing the aforementioned reports and the figures and data submitted pro and con to support each side's presentation, it is clear that recovery is still proceeding, albeit slowly, but that there have not been any significant income losses or changes to the City's financial condition that would prevent this unit from receiving a wage increase as noted below. It's bond rating is still quite acceptable and it continues to monitor expenses and hiring practices.

ISSUE NO. 1: WAGES

ARTICLE 12

CITY POSITION: The City's final proposal was a 1-year contract with a wage freeze or a 2-year contract with a wage freeze in year one and a lump sum payment of \$1,000 for the second year.

UNION POSITION: The Union's final proposal was a \$1,000 lump sum payment on a 1-year contract or a 2-year contract with a wage freeze

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for 2015 and a wage increase of 2.5% for 2016.

DISCUSSION AND RECOMMENDATION: The two other unions both have 0% wage increases for 2015, the Union's proposal for 0% increase in 2015 [which is already over one-third over] is in keeping with what has been accepted by the other unions. Both the Teamsters and the patrolmen have "me-too" clauses for 2016, but the Teamsters are capped at 2.75% in 2016 and the patrolmen are uncapped.

The City makes 3 claims regarding the Union's demand for a wage increase. Its first defense is that it cannot afford a wage increase for this or any other unit. The Fact Finder believes that the City can afford a modest wage increase. In other words, it has the ability to pay an increase. Secondly, the City claims that it is unable to pay this unit an increase, because of the "me-too" clauses in the Teamsters and patrolmen's agreements, but as stated above, the Teamsters did not have conciliation available to them, yet the City accepted the recommendation of the fact finder and, in the case of the patrolmen, both parties had the availability of conciliation, yet they opted for the inclusion of the "me-too" clause and lastly, the City wants to preserve its "equal treatment" of all workers by giving the same raises to all employees. The inclusion of the "me-too" clauses are troubling since it appears such language is being used as a defense against any group receiving a wage increase. Treating all employees to the same

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wage increase is, as stated above, laudable, but purely optional on the part of the City.

In comparing the cost differences between the Union's demand for a 2.5% wage hike and a 1.27% increase in base compensation for a Step C sergeant. But the City escapes the long term costs, chiefly pension and disability payments. But if it offers a lump sum increase in 2016, will it not offer the Teamsters and Patrolmen a similar lump sum increase in keeping with its claimed goal of treating all workers equally?

The City has done a credible job at controlling employment costs and revenue streams continue to grow, however modestly. Perpetuating the practice of lump sum payments in lieu of wage increases is not a practice which this Fact Finder favors. It was intended as a stop-gap, single time in order to get additional income into the hands of employees to help meet rising costs of living and rising employee share of health care costs at a time when the City could ill afford the long term costs of a wage increase. It should not be viewed as a permanent part of the collective bargaining process.

The Fact Finder finds the Union's demand to be reasonable and within the City's ability to pay. The Fact Finder recommends adoption of the Union's last proposal of a 0% wage increase for 2015 and a 2.5% wage increase for 2016. The recommendation, spread over two years, is

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The City also attempted to bootstrap health care costs into the equation by claiming that any wage increase which this Fact Finder may make had to be met with a corresponding increase in the employee's share of health insurance which currently stands at 10%. Health care was not raised in the position statement of either party and the City had no factual basis or evidence upon which to make such a demand. It was an attempt at a trade-off.

The Fact Finder is not inclined to make any adjustments to the percentages paid for health care and will not make the recommendation of a wage increase for 2016 dependent upon an increase in the employee's share of health insurance costs.

RECOMMENDATION: The Fact Finder recommends a -0-% wage increase for 2015 and a 2.5% wage increase for 2016.

ISSUE NO. 2: OVERTIME OPPORTUNITY

ARTICLE 11- a City Proposal

CITY POSITION: The City proposed changing the current language of Article 11 as follows:

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Section 11.01:

Step 1: Current contract language to be retained

Step 2: If sufficient manpower exists on the affected shift as determined by the Chief of Police, an OIC (Officer In Charge) may fill the supervisory vacancy that exists.

Step 3: If utilizing an OIC creates overtime in the police officer ranks, the on-duty supervisor will offer the overtime to fill the vacant supervisory position to all Sergeants on a rotating basis as listed in the Supervisor Overtime Offering Book. Overtime may be accepted in either four or eight hour blocks, but no employee may work more than twelve consecutive hours unless in emergency situations.

Step 4: Should the overtime still remain unfilled, overtime will then be offered to officers in the police officer tank to fill the vacancy with that rank created by utilizing an OIC.

Step 5: If exigent circumstances exist that prevent one or both of the supervisors from being ordered to work the overtime, then a Sergeant on their day off will be ordered in reverse order of seniority.

Step 6: As a last resort, the CIS Sergeant and/or the staff services Sergeant may be ordered to work any unfilled overtime so long as it does not conflict with their normal work hours.

Section 11.02: The Chief of Police may designate Officers In Charge (OIC's) on each patrol shift and operational unit as he

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determines appropriate.

Section 11.03: Current language to be retained

Section 11.04: Current language to be retained

Section 11.05: Current language to be retained

UNION POSITION: The Union proposed retaining the current language of Article 11 with no changes.

DISCUSSION: The City argued that changing the overtime structure of the sergeant's contract was necessary to promote more efficient police work. It claimed that many patrolmen were capable of performing officer-in-charge duties without the necessity of calling in a sergeant at overtime rates. The City pointedly argued that many of the sergeants earned more than higher ranked officers and one earned more than the chief with accumulated overtime. The Fact Finder finds that to be a rather hollow argument. The men who receive the overtime assignments are working those extra hours and, perhaps, sacrificing time away from families or other pursuits had they worked a straight shift.

The City failed to establish that the present method of making assignments is inefficient or that the requested changes would promote better police protection. Lowering the costs by permitting the OIC assignments to be made to lower paid patrolmen is not sufficient grounds upon which to make any changes to this system which has been in place since 2005 and perhaps longer. Cost savings are not the only criteria

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to consider in recommending a change.

The sergeants were not interested in changes to this rather attractive source of additional income. The contract requires whenever an absence of a patrol supervisor occurs, the on-duty supervisor will be responsible for filling the supervisor vacancy. This system appears to have worked. The contract specifies that the Patrol Supervisor vacancy can be filled by the chief, assistant chief, CIS sergeant or staff services sergeant. (Section 11.01). When an absence of a Patrol Supervisor occurs, the on-duty supervisor must offer the overtime to all sergeants on a rotating basis as listed in the Supervisor Overtime Offering Book and if it remains unfilled, then the sergeant working the prior shift and the sergeant working the following shift will be assigned to the unfilled overtime (apparently this is not a voluntary assignment) (Section 11.01, Steps 2 and 3). If one or both cannot work the assignment, then an off-duty sergeant can be ordered to work on his day off. The contract gives the chief the authority to designate OIC's with input from the sergeant's union, but the role of sergeants in the overtime role appears to be closely protected and one on which the Union will make no concessions.

The City has not proven that the present system is a failure or constitutes an impediment to good policing. The residents are adequately protected in the event of an emergency or if no supervisory

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personnel are available to work. The collective bargaining agreement mandates that if a mistake occurs in an overtime assignment, the offended employee shall be offered the next available assignment. Challenging the article on the basis that some sergeants earn more than the chief is not convincing. The Chief may not be eligible to receive overtime compensation. Besides, these assignments may be directly related to the cost cutting binge when positions were eliminated and job duties combined. This Union appears to have worked with the City in lowering costs and should not be scapegoated because some sergeants may earn more than their immediate supervisors. They work the hours and they should be paid accordingly.

As recently as January 22nd, the Union was requesting the establishment of an "overtime bank" containing the overtime hours of each employee upon which they could draw during any pay period (probably at the then current rate of pay). The establishment of this bank was not intended to be in exchange for the changes the City sought to this article since the Union specified that no changes were to be made to Sections 11.01 through 11.05. This proposal was missing from the Position Statement the Union submitted to the Fact Finder and the Fact Finder considers the demand for an "overtime bank" to have been withdrawn.

While the City proved that the police department could function

Received before business hours on May 15, 2015, processed same day with fewer personnel, the increase in overtime assignments was a consequences of cost cutting. The implementation of the City's request, would likely save the City money in an unknown amount, but would be at the expense of the men of this unit. Without proving better policing would be obtained, the Fact Finder is not inclined to recommend adoption of the City's proposal into the new agreement.

RECOMMENDATION: The Fact Finder recommends against the changes sought by the City and submits that current language be retained.

ISSUE NO. 2- LONGEVITY

A NEW ARTICLE (A Union Proposal)

UNION POSITION: The Union submitted that the following new clause be included into the new contract and designated as Section 12.04: Employees shall be entitled to longevity pay based upon full time service with the City as follows:

After 5 years	.5% of base wage
After 10 years	1.0% of base wage
After 15 years	1.5% of base wage
After 20 years	2.0% of base wage

CITY POSITION: The City opposed the making longevity a part of the new agreement and argued that no City employee, not even the patrolmen, have such a benefit. It added that the City cannot afford a longevity benefit.

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DISCUSSION AND RECOMMENDATION: Longevity clauses are seldom so obviously tied to wages. This proposal seems like a back door request for a wage increase disguised as a reward for length of service. Obviously the proposal was triggered by the City's offer of a wage freeze, coupled with a lump sum payment.

If this clause were adopted, a Step C Sergeant, with 25 or more months seniority, with 5 years seniority, would earn an additional \$392.54 per year or .5% increase; with 15 years seniority an additional \$1,177.62 or 1.5% increase per year and after 20 years, an additional \$1,570.15 or 2% increase per year. It was not disclosed how this clause would benefit this unit, but it appears that most members have considerable seniority with the department. Longevity payments are fully taxable, but are not subject to pension contributions. Longevity pay appears to be exempt from the "Me Too" clauses.

Both the patrolmen and the Teamsters agreed to a zero increase, the former under a one year agreement and the latter in a two year agreement with the "Me Too" clause capped at 2.5% and 2.75%. By placing the "Longevity" clause within the Wage Clause and not in a separate clause as is usually seen, the Union made it quite clear that this benefit would be in lieu of a wage increase. Whether it is called a wage increase or a longevity benefit, it is an increase in compensation and an increase in cost to the employer- though not nearly as attractive

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as a wage increase.

This unit, however, has never had a longevity clause in its contracts and according to the City representative neither has any other unit. Longevity is a benefit that does not have a direct impact on payroll, but impacts costs nevertheless. It creates another layer necessary to sift through when attempting to discern true compensation and wages. The argument that longevity is in appreciation for the services which long-term employees provide is simply a disguise for a wage hike without calling it a wage raise. Under the City's present financial circumstances, this contract is not the appropriate vehicle in which to create a new benefit.

RECOMMENDATION: The Fact Finder recommends against the inclusion of a longevity clause in the new agreement.

ISSUE NO. 3: HOLIDAY PAY

ARTICLE 11- A UNION PROPOSAL

UNION POSITION: The Union proposed increasing the number of personal days from 3 to 4 and to permit a personal day, even though it might create an overtime situation.

CITY POSITION: The City's position is unknown, but is assumed to be against any changes in this article.

DISCUSSION AND RECOMMENDATION: The parties did not discuss this proposal during mediation and it is missing from the Union's Position

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Statement, but was in the City's statement. The Fact Finder concludes that while this issue may have been discussed by the parties at some point during bargaining process, it was omitted from the position statement of the party originating the request for a change.
RECOMMENDATION: The Fact Finder recommends against the changes sought by the Union and submits that current contract language be retained.

ISSUE NO. 4: UNIFORM ALLOWANCE

ARTICLE 17- A UNION PROPOSAL

UNION POSITION: The Union sought to change 17.06 by requiring sergeants serving in a non-patrol assignment for a part of the year to receive the additional allowance on a pro rata basis. The Union also sought an increase in the allowance.

CITY POSITION: The City's Position Statement appears to accept the Union's proposal on the pro-rata change, but opposed increasing the allowance without a corresponding lowering of costs in other matters or agreement on a 2-year wage freeze.

DISCUSSION: The parties failed to argue the merits of the pro-rata change sought by the Union. The Fact Finder believes that such a change makes sense and would not work a financial hardship on the City.

The parties did, however, devote considerable discussion to

Received before business hours on May 15, 2015, processed same day increasing the allowance by an additional \$200 or \$250 per annum, but those offers were dependent upon the Union's acceptance of the City's proposal of a 0% wage increase for 2015 and a lump sum payment for 2016. The City then tried to tie-in the addition of a fourth step in the educational allowance of \$.10 per hour for those unit members who have completed 30 credit hours. The Fact Finder finds little correlation between the educational credit and the City's stated goal of having the best educated police department in the area and uniform allowances. The new educational allowance appears to impact only 1 of the 5 men in this unit and that person is not actively pursuing credits.

RECOMMENDATION: Since it had been previously represented that this change was tentatively agreed upon, just not signed off on, the Fact Finder will not recommend a tie-in between those two clauses which are totally unrelated, other than costs.

DISCUSSION: The presentation regarding uniform allowances did not concern uniform costs. It did, however, touch upon the costs of business suits customarily worn by plain clothes sergeants. The City, on the other hand, attempted to use an increased allowance offer to offset a wage increase with neither side offering any evidence for the necessity to increase the clothing allowance. The amount of the increased allowance was insufficient to make much of an impact on this unit's goal of increasing wages. It was just another attempt at a trade-off on a

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wage increase.

The Fact Finder recognizes that both uniform and clothing costs are increasing, but the purported agreement on pro-rated assignments will offset a portion of those increasing costs. Neither side proposed language covering the pro-rated formula to be used in making the allowance for non-patrol assignments, and the Fact Finder is not sufficiently knowledgeable to make a meaningful recommendation thereon. The Position Statements of both parties specified that such an allowance be on a prorated basis and the parties should be able to arrive at appropriate contractual language. The Fact Finder was not given a copy of the proposed changes.

RECOMMENDATION: The Fact Finder recommends the changes apparently agreed to by the parties regarding pro-rating the additional allowance for non-patrol assignments. Other than this change, the Fact Finder recommends that the current contract language be retained.

ISSUE NO. 5

ARTICLE 27- DURATION

UNION POSITION: The Union favored a 2-year agreement.

CITY POSITION: The City favored a 1-year agreement, but would accept a 2-year agreement if the Fact Finder recommends a \$1,000 lump sum payment in the second year.

DISCUSSION: The City's final offer was a one year contract with a

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wage freeze or a 2-year contract with a one year freeze and a \$1,000
lump sum payment. The duration appears directed toward costs, but there
appears to be no sense in recommending a contract of 1-year, with
approximately one-third of the contract length already having expired.
If such a recommendation were adopted, the parties would start
bargaining over a new contract in approximately 4 1/2 months with the
City likely maintaining its same offer for the same reasons discussed
above.

RECOMMENDATION: The Fact Finder recommends a 2-year contract.

Respectfully submitted,

I. Bernard Trombetta, Fact Finder

SERVICE

The parties agreed that service of this report may be made by
electronic means. The foregoing was served upon the following this 15th
day of May 2015 by email: On behalf of the City: dcrain@fbtlaw.com; to
the Union: jmhege@sbcglobal.net; and to SERB at
Mary.Laurent@serb.oh.state.us.

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