

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

FACT-FINDING REPORT

FEBRUARY 12, 2016

SERB CASE NO(S) 15-MED-08-0748, 0749

City of Eaton

and

Fraternal Order of Police, Ohio Labor Council, Inc.

Appearances

For the Employer:

Brad Collins, City Manager

John J. Krock, VP Clemans, Nelson & Associates, Inc.

Stephanie Risner, Finance Director

Chad DePew, Chief of Police

Eric J. Beeghly, Sgt. Police Division

For the Union:

Barry Gray, Senior Staff Representative FOP/OLC

Sean Mackey, Police Officer

Anthony Schmidt, Police Officer

Fact-Finder:

Richard J. Colvin, J.D. appointed by SERB on October 21, 2015

Hearing Date:

This Hearing was convened in the City of Eaton, County of Preble and State of Ohio on January 8, 2016 at 10:00 A.M. and was adjourned at 12:00 noon on the same date.

A. Background

The City of Eaton, Ohio was founded in 1806. It is geographically located in the center of Preble County, Ohio, 35 miles west of Dayton, Ohio and 18 miles southeast of Richmond, Indiana and six miles south of Interstate 70. Eaton is the county seat of Preble County. According to the 2010 U.S. Census, the population of Eaton was 8,404. It has an area of 6,201 miles. The estimated median household income in 2013 was \$34, 514 versus a median household income of \$48,081 for the State of Ohio.

B. Extension Agreement

“The parties hereby agree to extend the date for the Fact Finding report to February 29, 2016. The parties waive the provisions of 4117.14(G) (11) in regard to all matters of compensation or with cost implications which may be awarded by a conciliator in accordance with Chapter 4117 ORC and agree that the conciliator may award wage increases or other matters with cost implications to be retroactive to January 1, 2016.”

C. Bargaining Unit

Article 2 Recognition

Section 2.1. The Employer recognizes the FOP/OLC as the exclusive representative for all employees included in the bargaining unit described in the State Employment Relations Board’s

orders of July 22, 1996, in Case Number 96-REP-03-0058 (including all full-time Patrol Officers), and the Board's order of August 29, 1996 in Case Number 96-REP-070142 (including all full-time Dispatchers). The FOP/OLC is recognized by the Employer as the sole and exclusive representative of all bargaining unit members in any and all matters relating to wages, hours, and terms and conditions of employment, and the continuation, modification, or deletion of any existing provisions of the Agreement between the parties, and the resolution of questions arising under this Agreement.

Section 2.2 All other employees shall be excluded.

D. Rationale Statement presented by the Fraternal Order of Police, Ohio Labor Council, Inc., with regards to the unresolved issue listed below: Article 20 – Wages:

Based on discussions between the Chief of Police and Police Officers, the Union was under the impression that the City wanted to, quickly resolve, the issue of the wage reopener for 2016. With the approval of the Bargaining Unit Leadership an email was sent to Mr. John Krock, the Principal Representative for the City on May 15, 2015 indicating the Union was proposing a 4% wage increase on 1/1/16. On June 5, 2015 Mr. Krock informed me that the City had rejected the Union's proposal and requested that we schedule a meeting in late June or early July. On June 30, 2015 I advised Mr. Krock that I was available for meetings on July 7th, 9th, and 10th 2015. As of August 3rd, 2015 I had not received a reply for the City and no meetings had been scheduled. On that date I again emailed Mr. Krock offering August 10th, 17th, 24th.25th, 31st, September 1st, 2015 as dates available for negotiations. On August 4th, 2015 it was finally agreed that we would meet on 8/24/15 at 10:00 a.m., however, on August 20th, 2015 that meeting was cancelled and rescheduled for August 31st, 2015. At the 8/31/15 meeting the City presented one (1) verbal proposal which was their ONLY, LAST AND BEST PROPOSAL. That, "take it or

leave” proposal was for a 2% wage increase on 1/1/16 and the removal of the last sentence of Section 20.1, which is a “me too” clause. The Union rejected that proposal. Since that time no other meetings have been held.

The City and the Union entered into an extension agreement on October 30, 2015, extending the date of the the Fact Finders report to February 29, 2016.

The Union proposes for the 2016 wage reopener to be a 4% increase retroactive to January 1, 2016. The wage scale for 2016 is the only proposed change as this is only a wage reopener and not a negotiation of the entire Collective Bargaining Agreement or any other part of the Agreement, thus Sections 20.2 thru 20.6 are included as currently contained in the Agreement...

E. RATIONAL STATEMENT of the City presented to the Fact-Finder on Article 20 Wages

The current agreement between the City of Eaton and the FOP was effective on July 1, 2013 and expires on July 30, 2016. This fact-finding hearing is a wage reopener for the third year of the agreement and would be effective January 1, 2016. The current agreement provided for a wage freeze for the first two years of the agreement. The City’s proposal for this wage reopener is a continued wage freeze for 2016¹. The Police Department is funded by a one-half percent (.5%) safety levy which has to be renewed every three (3) years and generates approximately \$1.5 million. These bargaining units have received higher increases over the past several years than other City employees.

¹ The City had previously presented the Union with a proposal for a 2% increase to become effective on January 1, 2016. The City withdrew that proposal at this Hearing.

This agreement covers both Police Officers and Dispatchers and is funded by the General and Public Safety Fund which has had deficit spending five (5) out of the last six (6) years. The City will argue an inability to pay the Union's demand.

The current agreement added a "me-too-clause" which states in part, "Should any employee or group of employees other than the three (3) employees appointed by City Council, receive an increase to their pay scale, the pay scale below it will be increased by an equal amount." This section was included in the current agreement to show the Union that the City had no plans to treat these bargaining units any differently than anyone else, and if the City's financial situation turned around and they are able to provide for wage increases, then these employees would also receive such raise. The previous collective bargaining agreement was effective July 1, 2011 and expired on June 30, 2013. This agreement provided for a 0% wage increase the first year of the agreement, (January 1, 2012) and a 2% wage increase effective January 1, 2013. The City contacted the union in the summer of 2012 and asked the union if they could pay the 2% wage increase effective six (6) months early, (July 1, 2012) and also provided these bargaining units with an additional 1% increase effective January 1, 2013. These raises in the previous agreement were provided to these bargaining units without the "me-too clause" and without a request from the union for such raises.

The City requests the fact-finder grant the City's proposal for a wage freeze and the continued inclusion of the "me-too clause".

F. CRITERIA

When making his Report and Recommendations upon the unresolved issue(s) the Fact-Finder has been mindful of and has been guided by the criteria set forth in Ohio Revised Code §4117.14(C)(4) identifying relevant factors as follows:

- (1) Past collectively bargained 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 stipulation 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 to mutually agreed-upon final dispute settlement procedures in the public service or in private employment.

G. Fact-Finders Recommendation and Rationale

Recommendation:

The Issue:

Should there be a wage increase granted to all full-time Patrol Officers and all full-time Dispatchers as of January 1, 2016 and if so, what shall be the amount of such increase, if any? This is the only issue to be resolved at this Hearing. The Union has proposed a 4% increase. Prior to this Hearing, the City had proposed a 2% increase. The City then withdrew that offer and now proposes that there be no increase on January 1, 2016.

Decision:

Based upon the testimony and the evidence submitted at this Hearing the Fact-Finder has determined that there be a reasonable increase in wages of **2.5%** for all eligible bargaining unit employees, effective January 1, 2016.

Rationale:

In its closing remarks, the City reiterated its position that five of the last six years had produced a deficit and for that reason the City pleads poverty and an inability to pay any increase on January 1, 2016. The Union's immediate observation was that the City is not on fiscal watch. The City admitted that was factual.²

² In Ohio, there are three basic fiscal situations: Fiscal Caution, Fiscal Watch and Fiscal Emergency. To determine whether a local government has fallen into Fiscal Caution, Watch or Emergency, the Auditor of State will review fiscal practices and conduct a fiscal analysis to determine the severity of the financial situation. That analysis can be requested by a

H. The statistical data presented by both parties has been helpful to the Fact-Finder. The City of Eaton's **Wage Increase History:**

YEAR	FOP INCREASES	NON-BARGAINING
2005	3.50%	2.50%
2006	2.50%	3.00%
2007	2.50%	2.75%
2008	3.00%	2.50%
2009	3.00%	2.80%
2010	3.00%	1.50%
2011	3.00%	1.50%
2012	2.00%	2.00%
2013	1.00%	1.00%
2014	0.00%	0.00%
2015	0.00%	0.00%

Reasonable, for the most part, these increases are shown with equal amounts for bargaining and non-bargaining employees.

government entity's leadership or in an urgent situation, the Auditor of State can initiate the process. Source: David Yost, Ohio Auditor

I. City of Eaton Bargaining Unit Staffing levels:

2010 15 Patrol Officers, 5 Dispatchers, 1 Records Clerk

2011 15 Patrol Officers, 4 Dispatchers, 1 Records Clerk

2012 15 Patrol Officers, 4 Dispatchers, 1 Records Clerk

2013 14 Patrol Officers, 4 Dispatchers, 1 Records Clerk

2014 10 Patrol Officers, 2 Sergeants, 1 Chief, 4 Dispatchers

2015 13 Patrol Officers, 4 Dispatchers

Totals 2010---21 Bargaining Unit Members

2015---17 Bargaining Unit Members

N.B. Reductions in personnel were through attrition.

J. **Review of the Fiscal and Miscellaneous Data presented by the parties:**

A. **My review of the testimony and the evidence presented leads me to conclude:**

The City is basically fiscally solid and has been very proactive in monitoring their financial status. The observable trends in revenue and expenses tend to be stable. The Fact-Finder rejects the City's plea of poverty.

B. **Revenue and Expenditure Summary through 12/31/15:**

	Revenue	Expenditures	Surplus/(Deficit)
General Fund	2.8	2.9	(.1)

Special Revenue*	4.3	4.3	
Capital Projects	3.8	2.3	1.5
Enterprise	3.5	3.1	.4
Agency	-	-	-
Total	14.4M	12.6M	1.8M
• Public Safety	3.1	3.2	(.1)

C. Funding of the Police Division:

Prior to 2013: The General Fund and the Public Safety Fund

2013 and subsequent: Just Public Safety Fund and the General Fund subsidizes.

Miscellaneous Financial Observations:

2015 Revenue increase of \$2.3 (\$1.8 due to pool donations)

Funds: **General, Public Safety, Recreation, Swimming Pool, Fort St. Clair**

12/31/15: Outstanding Debt, \$3.662M

Estimated Debt payment in 2016, \$500K

Summary:	<u>2014</u>	<u>2015</u>
Trend of total City Revenue:	\$12.1*	\$14.4*
Trend of total City expenses:	\$11.5*	\$12.6*

*Primarily due to an increase in Capital Projects

Trend of Public Safety Revenue:

2011 2012 2013 2014 2015

1.8M 1.9M 2M 1.9M 2.1M

Trend of Public Safety Expenses:

2011 2012 2013 2014 2015

3.0M 3.1M 3.2M 3.0M 3.2M

The increase in salary for police officers and for dispatchers set forth in this Report of 2.5% would be, in effect an increase of **\$12,163K** (plus applicable expenses) in the total General Fund supplement for the Public Safety Fund.

K. Other Observations:

Cost of Part-Time versus overtime. Part-time appears to be less costly.

Police salaries:	2013	2014	2015
	\$888K	\$798K	\$815K
Dispatch salaries:	<u>\$214K</u>	<u>\$172K</u>	<u>\$158K</u>
Total	\$1,102K	\$970K	\$973K*

- Cost: 2% = \$9,730K 2.5% = 12,163K 3% = 14,595K

N.B. The City will replace its entire existing Community Swimming Pool, which has served its residents for 52 years, with a new facility including a pool building and a new splash pad

possibly to be to be completed by the end of May of 2016. The City has indicated that, so far, it has received donations to finance this project (the \$1,800,000 shown on p. 11 of the 2015 December Report). Two other Surveys prepared by the City of Eaton are relevant:

Wage Survey of Patrol Officers:

City	Minimum	Maximum
Greenville	\$19.05	\$26.86
Eaton	\$20.50	\$26.72
London	\$18.17	\$25.87
Wapakoneta	\$20.87	\$23.75
Wilmington	\$18.63	\$23.40
Washington C.H.	\$20.40	\$23.13
Van Wert	\$17.02	\$22.28
Celina	\$20.51	\$22.20
Average:	\$19.24	\$23.93

Wage Survey of Dispatchers:

City	Minimum	Maximum
London	\$16.45	\$23.24
Greenville	\$14.36	\$20.83
Washington C.H.	\$18.10	\$20.47
Eaton	\$15.28	\$19.93
Celina	\$15.96	\$17.36
Average:	\$16.22	\$20.48

Summation: The argument between the parties basically comes down to this: A question of whether or not the City would adjust the allocation of the total General Fund in order to adequately fund or provide for a salary adjustment for the employees under consideration at this Hearing.

/s/ Richard J. Colvin

Fact-Finder

Signed this 16th day of February 2016 in the City of Mason, County of Warren and State of Ohio

CERTIFICATION OF SERVICE

This is to certify that a true and accurate copy of this Fact-Finding Report was forwarded to the parties listed below by Electronic Mail this 16th day of February 2016

Donald M. Collins

General Counsel

MED@serb.state.oh.us

Barry L. Gray

Senior Staff Representative

bgfopolc@hotmail.com

John J. Krock

Vice President

Clemans, Nelson & Associates, Inc.

jkrock@clemansnelson.com

/s/ Richard J. Colvin

Fact-Finder