

**IN THE MATTER OF FACT FINDING**

**BETWEEN**

**THE FRATERNAL ORDER OF POLICE, OLC, INC.**

**AND**

**THE CITY OF STREETSBORO, OHIO**

**SERB CASE # 15-MED-09-0960 (GOLD) ,0961 (DISPATCH), 0962(BLUE)**

**Robert G. Stein, Fact-finder**

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## **CRITERIA**

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 recommendations contained in this report are guided by the above statutory criteria and are intended to be in accordance with them.

## **INTRODUCTION**

The parties to this matter are Fraternal Order of Police, OLC, INC (hereinafter "Union") and the City of Streetsboro, Ohio (hereinafter "Employer," "City." The Employer is located in Portage County, which is in northern Ohio. The City is a suburb located southeast of the City of Cleveland. The bargaining unit is comprised of approximately 22 Patrol Officers, 4 Sergeants and 7 Dispatchers. The dates of the current Agreement are, July 1, 2012 to June 30, 2015 and it covers the classifications of Supervisor (Class 12 Sergeant), Class 11 Patrol Officer, and Class 4 Dispatcher. (Joint Ex. 1) The Agreement was extended by the parties during bargaining and fact-finding.

**General/State/Local Economic Overview:** The economy has been improving on the national, state, and local levels for several years now. According to a number of increasing economic indicators (e.g. unemployment rate, new job growth, company profits, etc.) the economy in the United States and in Ohio is getting incrementally healthier (See August unemployment rate for Ohio). Yet, widespread instability turmoil in the Middle East, an uncertain global economy, and genuine concern over a major act(s) of terrorism could cause instability at any time. Based upon these worries and others, one can only conclude that it is folly to predict long term future economic prosperity. And, if the political climate at the moment is any indicator, unrest persists among the majority of the electorate regarding their own security and economic welfare.

Only very recently have wages moved from eight (8) years or more of stagnation. For the first time since the Great Recession of 2008 incomes rose for middle class workers, but said wages are still on average \$1,000.00 below the 2008 average. Fortunately the rate of inflation has remained low helping employees to retain purchasing power, and

giving relief to Ohio public employers who have had to manage with less economic assistance from the state. The majority of Americans acknowledge signs of sustained economic improvement as evidenced by more help wanted signs appearing in front of businesses. But in larger part newly created employment opportunities, while growing steadily, now come with lower wages, less benefits and less job security. In fact, the current popular term regarding employment is “contingent work”, which now makes up over 40% of the jobs being created in the United States. As reported on by the U.S Department of Labor on their Website:

## **V. Contingent Workers**

### **1. General Observations**

As employers seek new ways to make the employment relationship more flexible, they have increasingly relied on a variety of arrangements popularly known as "contingent work." The use of independent contractors and part-time, temporary, seasonal, and leased workers has expanded tremendously in recent years. The Commission views this change both as a healthy development and a cause for concern.

On the positive side, contingent employment relationships are in many respects a sensible response to today's competitive global marketplace. The benefits are clear that various forms of contingent work can offer to both some management and some workers. Contingent arrangements allow some firms to maximize workforce flexibility in the face of seasonal and cyclical forces and the demands of modern methods such as just-in-time production. This same flexibility helps some workers, more of whom must balance the demands of family and work as the numbers of d On the negative side, as the Fact Finding Report noted, contingent arrangements may be introduced simply to reduce the amount of compensation paid by the firm for the same amount and value of work, which raises some serious social questions. This is particularly true because contingent workers are drawn disproportionately from the most vulnerable sectors of the workforce. They often receive less pay and benefits than traditional full-time or "permanent" workers, and they are less likely to benefit from the protections of labor and employment laws. A large percent- age of workers who hold part-time or temporary positions do so involuntarily. The expansion of contingent work has contributed to the increasing gap between high and low wage workers and to the increasing sense of insecurity among workers noted in the Fact Finding Report, (pp. 93-94).

Obviously, the revenue of a City is affected if a growing number of its citizens are only being offered contingent work. In fact much of the middle class wage gain of several percent announced by the U. S. Labor Department on 9/14/16 was largely due to income made by employees on overtime and or secondary employment and not a result of a large wage increase related to their main employment. The sobering reality is that conditions post 2008 will never be the same as they were prior to the “Great Recession” and its aftermath. And, that reality has caused a sea change in the manner local governments operate and finance the services they provide to the public. In Ohio, structural unemployment, the substantial loss of the manufacturing base, and drastic

cuts Local Government Funds and the elimination of the Estate Tax continue to challenge all local governments to seriously examine more efficient methods to deliver vital services to the public based upon less certain revenue. Likewise, public employees have been seriously challenged to maintain their own personal and family household budgets.

## ISSUES

The Parties brought six (6) open Issues brought to Fact-finding. The Union's and the Employer's detailed positions and rationale on the unresolved issues can be found in their respective Pre-hearing Statements and in the evidence in the record. Prior to the hearing in mediation with the fact-finder, 4 issues were resolved or withdrawn and those TA'd are recommended in this report along with any and all issues agreed upon prior to fact-finding, including carried forward current language not changed during negotiations. The current Agreement, which was extended, ran from July 1, 2012 through June 30, 2015. In summary the position of each party on the remaining two (2) issues is as follows:

## ISSUE 1 WAGES

**CITY'S POSITION:** The City is proposing the following:

### ARTICLE 28 COMPENSATION

Section 1. The basic wage rate (excluding longevity, shift differentials, increased as follows):

Effective:	July 1, 2015	<b>(1%)</b> (Paid in arrears)				
CLASS	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
4	19.41	20.32	21.23	22.14	23.05	23.98
11	21.81	23.54	25.27	27.00	28.73	30.47
12						
Rank 14%						34.74

It is understood that rates effective July 1, 2015 are effective through December 31, 2015 and will be paid retroactively. Within sixty (60) days of the 2016 effective date of this agreement, members will receive a lump sum adjustment representing the difference between what they were actually paid and the above rates. The rates set forth above will form the basis for the increase effective January 1, 2016.

Effective:	January 1, 2016 <b>(3%)</b>					
CLASS	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
4	19.99	20.93	21.87	22.81	23.75	24.70
11	22.46	24.25	26.04	27.83	29.62	31.39
12						
Rank 14%						35.78

Effective:	January 1, 2017 <b>(2%)</b>					
CLASS	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
4	20.39	21.35	22.31	23.27	24.23	25.19
11	22.90	24.72	26.54	28.36	30.18	32.01
12						
Rank 14%						36.49

Effective:	January 1, 2018 <b>(1%)</b>					
CLASS	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
4	20.60	21.57	22.54	23.51	24.48	25.44
11	23.14	24.98	26.82	28.66	30.50	32.33
12						
Rank 14%						36.86

~~Effective July 1, 2012 (1%)~~

<del>CLASS</del>	<del>STEP 1</del>	<del>STEP 2</del>	<del>STEP 3</del>	<del>STEP 4</del>	<del>STEP 5</del>
<del>4</del>	<del>\$18.65</del>	<del>\$19.88</del>	<del>\$21.05</del>	<del>\$22.40</del>	<del>\$23.05</del>
<del>11</del>	<del>\$20.96</del>	<del>\$24.00</del>	<del>\$27.37</del>	<del>\$28.40</del>	<del>\$29.29</del>
<del>12</del>					
<del>rank 14%</del>					<del>\$33.39</del>

~~Effective July 1, 2013 (1%)~~

<del>CLASS</del>	<del>STEP 1</del>	<del>STEP 2</del>	<del>STEP 3</del>	<del>STEP 4</del>	<del>STEP 5</del>
<del>4</del>	<del>\$18.84</del>	<del>\$20.08</del>	<del>\$21.26</del>	<del>\$22.63</del>	<del>\$23.28</del>
<del>11</del>	<del>\$21.17</del>	<del>\$24.24</del>	<del>\$27.64</del>	<del>\$28.69</del>	<del>\$29.58</del>
<del>12</del>					

rank 14% ----- \$33.72

Effective July 1, 2014 (2%)

CLASS	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
4	\$19.22	\$20.48	\$21.68	\$23.08	\$23.74
11	\$21.59	\$24.72	\$28.20	\$28.98	\$30.17
12					

rank 14% ----- \$34.40

Section 2. Class 12 employees (Sergeants) shall be paid a rank differential of 14% above the top step patrol officer.

Section 3. Upon the approval of the Internal Revenue Service, The Public Employees Retirement System and the Ohio Police and Fire Retirement System, the City shall commence a program allowing employees to defer the payment of federal and state income taxes on their contributions to the appropriate retirement system provided such program does not result in any additional cost to the City.

Section 4. For all officers and bargaining unit members of the Police Department, the following experience requirements shall determine place in grade:

Step 1	No experience
Step 2	<del>Six (6) months</del> <b>One year</b> experience and has completed Regular schooling
Step 3	<del>One (1)</del> <b>Two (2)</b> years experience
Step 4	<del>Two (2)</del> <b>Three (3)</b> years experience
Step 5	<del>Three (3)</del> <b>Four (4)</b> years experience
<b>Step 6</b>	<b>Five (5) years experience</b>

Said experience may be within the Streetsboro Police Department or another police agency.

**UNION POSITION:** The **Union** is proposing the following:

**ARTICLE 35 - WAGES**

**UNION ISSUE 4: Article 28 - COMPENSATION**

The Union is proposing a wage adjustment rather than a percentage increase in the first year. ....Currently, the Top Step Patrolman makes \$30.17 per hour. The Union proposes increasing that to \$34.27 per hour. For year 2017 we propose a one percent (1%) increase, and for year 2018, a two percent (2%) increase. Currently, the Top Step Dispatcher makes \$23.74 per hour. The Union proposes increasing that to \$26.96 per hour. For year 2017 the Union proposes a one percent (1%) increase, and for year 2018, a two percent (2%) increase.

January 1, 2017	1%
January 1, 2018	2%

**ISSUE 2 LONGEVITY**

**UNION'S POSITION:** The **Union** is proposing in fact-finding was to maintain current contract language.

**CITY'S POSITION:** The **City** is proposing a change in Longevity that would start at year five (5) and would add additional steps (**see changes in cross out and bold**). Section 2 of this provision is current language. The City's proposed changes are as follows:

ARTICLE 30  
LONGEVITY

Section 1. Full-time bargaining unit members, in addition to their regular rate of pay, shall receive longevity pay based on the employee's length of service with the Employer. The longevity pay shall be added to the employee's base rate and compounded for the purposes of overtime. Longevity pay shall be adjusted at the next pay period following the employee's anniversary date of employment.

Service allowance shall be as follows:

Upon Completion of	\$ Per Hour
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3 <u>5</u> years	\$0.43
4 <u>6</u> years	\$0.52
5 <u>7</u> years	\$0.61
6 <u>8</u> years	\$0.69
7 <u>9</u> years	\$0.78
8 <u>10</u> years	\$0.84
<u>12</u> years	<u>\$0.94</u>
<u>15</u> years	<u>\$1.04</u>
<u>18</u> years	<u>\$1.15</u>

Section 2. Prior service with the City, the State of Ohio or any political subdivision thereof, shall not be included for purposes of computing longevity pay.

### **POSITIONS AND DISCUSSION: Issue 1 Wages and Issue 2 Longevity**

Both issues are considered in this analysis in as much as they both affect compensation. In bargaining, which was not necessarily reflected in the initial positions of parties in fact-finding, the parties came close to one another in years 2016, 2017, and 2018. Their “final” positions included increases of 3%, 2%, and 1%. (Employer Ex. I and J) However, the premise or basis upon which these identical numbers were reached is critical here and each differs greatly. Prior to January of 2016, the Union is seeking a substantial equity boost of over 13% while the City is proposing a 1% equity increase for the same period.

The parties agreed in negotiations to a new duration period. As opposed to previous contracts that began on July 1 and ended on June 30. The parties agreed to shift the starting and ending time of the Agreement to now begin January 1 and end December 31. The effect of this agreed upon change is to then view any settlement as a contract covering a period of 3.5 years and not the traditional 3 years. This apparently distinguishes it from the other contracts in the City reached prior to these negotiations. According to the facts, the AFSCME and IAFF bargaining units reached identical wage settlements of 1<sup>st</sup> year 3%, 2<sup>nd</sup> year 2%, and 3<sup>rd</sup> year 1% over 36 months and not 42 months. Internal comparable data is normally an important consideration for a fact-finder on an “apples to apples” basis. It helps maintain labor peace and provides a sense of fairness among a disparate workforce. Yet, the AFSCME and IAFF contracts covered 36 months not a period of 42 months, so making an internal comparison, has to also take into consideration the extra 6 months of this contractual relationship. In addition, the data provided by both parties highlighting nearby external comparable cities in particular reveals that the bargaining unit’s wages, particularly in earlier years, are less competitive coming in at 5<sup>th</sup> out of 8 nearby cities and at the top of the scale Police Officers compensation are more competitive being 4<sup>th</sup> out of the same 8 cities. (Employer Ex. R and S) Presumably this position placement occurred over time as wage structures and increases differed among surrounding cities. Of course, along with salaries the revenue base of these comparable cities also varies.

Based upon the need to address external inequities, internal parity for calendar years 2016, 2017 and 2018, and documented efforts of the parties as contained in their last or near last proposals prior to fact-finding, the focus of the fact-finder will be on an equity increase prior to the normal contract period (July 1, 2015 – December 31, 2015) For the record, the focus will be on Police Officers and Dispatchers, since the parties are not proposing any changes in the rank differential for Class 12 Sergeants of 14% therefore the focus will be on Patrol Officers and Dispatchers.

In its fact-finding proposal, the Union proposes an initial wage inequity adjustment that equates to be a 13.5% (+ \$4.10) wage increase for Patrolmen and a 13.5% increase for Dispatchers (+ \$3.22) on the base that would be followed by a 1% increase in 2017 and a 2% increase in 2018. At the end of this 42 month period the top Patrol Officer would be at \$35.30 per hour and the top Dispatcher would be \$27.77 per hour.

In contrast the Employer in fact-finding is offering (Employer Ex. M) a 1% “lump sum adjustment” to cover the 6 month period from July 1, 2015 through December 31, 2015 and during the next 36 months a 3% increase in 2016, a 2% increase in 2017, and a 1% increase in 2018. This would bring wages for top Patrol Officers at the end of 42 months to \$32.33 per hour and top Dispatchers to \$25.44 per hour.

The facts indicate that Streetsboro, like so many other municipalities in Ohio, have endured both the great recession and the severe revenue cutbacks by the State in Local Government Funding and the elimination of the Estate Tax. And, while not in the same solid financial position that a handful of others cities in Ohio have been able to sustain the City appears to be improving its financial position. (Fop Ex. 1) For example, Fop Ex. 11 demonstrates the City outstrips the nearby City of Hudson in terms of several economic indicators including wholesale sales, manufacturing shipments, and retail sales. And FOP Ex. 10 lists Streetsboro as 8<sup>th</sup> among the safest cities in Ohio in 2015. Streetsboro appears to be a good place to live from the standpoint of safety and security, and much credit should be given to safety forces and their administration. Rome was not built in a day. The external inequity did occur overnight and needs to be incrementally addressed as the City moves gradually to a more secure financial situation. And, moving to a more competitive wage when compared to surrounding cities makes sense from a recruitment and retention point of view. Hiring and training new Police Officers and Dispatchers is an expensive proposition. A \$1.25 per hour wage inequity adjustment for Police Officers and a \$.95 per hours wage inequity adjustment Dispatchers would move the relative position of the bargaining unit in the right direction. Because there still in an equity gap when compared to other surrounding cities the salary schedule proposed by the City is accepted in part but keeping 3 steps. Eliminate Step 2, the 6 month increase, which makes sense to be paired with a one year probation period that needs to be successfully completed. The longevity schedule proposed by the City provides more money to employees in later years and starts at 5 years, which is commonly found in the public sector as a retention factor as opposed to 3 years. However, all current employees were hired with the understanding and promise of getting longevity after 3 years up to 8 years and because of that they should be allowed to progress on the current schedule until the new schedule becomes applicable.

## RECOMMENDATIONS

### ARTICLE 28 WAGES and Article 30 LONGEVITY

#### ARTICLE 28 COMPENSATION

Section 1. The basic wage rate (excluding longevity, shift differentials, increased as follows):

**Effective: July 1, 2015**      **Adjust Wages for Police Officers and Dispatchers by \$1.25hr and .95hr.**      (Paid in arrears/base for future raises)

Current 5 step schedule

**Within sixty (60) days of the 2016 effective date of this agreement, all Police Officers in the bargaining unit shall be paid an additional \$1.25 per hour and Dispatchers an additional \$.95 per hour for all paid hours from July 1, 2015 through December 31, 2015. Members will receive a lump sum adjustment and the new rates of pay shall be adjusted by these same amounts and will then form the basis for the increase effective January 1, 2016. Rank differential shall remain 14% and shall be paid in accordance with the Agreement.**

**Effective: Retro (3%)  
January1,  
2016**

**Effective: January1, (2%)\***

**2017**

**\*Effective January 1, 2017 the step schedule shall be modified (see below) and shall be implemented for all employees hired after January 1, 2017. All current employees (hired prior to January 1, 2017) shall be grandfathered on the current 5 step schedule.**

**(Start Rate, old step 1) No experience**

**Step 1 (old step 3) One year of experience and has completed  
Regular schooling**

**Step 2 (old step 4) Two (2) years of experience**

**Step 3 (old step 5) Three (3) years of experience**

**Effective: January1, (1%)  
2018**

**ARTICLE 30  
LONGEVITY**

**Effective January 1, 2017 the City's longevity plan shall be implemented for all new employees hired after January 1, 2017. Additionally, all current employees hired prior to January 1, 2017 shall continue on the old Longevity schedule (in accordance with the same increments of time and the concurrent amounts of pay) until they reach 12 years of service at which time they shall be placed on the schedule listed below.**

Section 1. Full-time bargaining unit members, in addition to their regular rate of pay, shall receive longevity pay based on the employee's length of service with the Employer. The longevity pay shall be added to the employee's base rate and compounded for the purposes of overtime. Longevity pay shall be adjusted at the next pay period following the employee's anniversary date of employment.

Service allowance shall be as follows:

Upon Completion of	\$ Per Hour
<u>5</u> years	\$0.43
<u>6</u> years	\$0.52
<u>7</u> years	\$0.61
<u>8</u> years	\$0.69
<u>9</u> years	\$0.78
<u>10</u> years	\$0.84
<u>12</u> years	<u>\$0.94</u>
<u>15</u> years	<u>\$1.04</u>
<u>18</u> years	<u>\$1.15</u>

Section 2. Prior service with the City, the State of Ohio or any political subdivision thereof, shall not be included for purposes of computing longevity pay.

## **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 September 2016 in Portage County, Ohio.

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Robert G. Stein, Fact finder