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**STATE OF OHIO**  
**State EMPLOYMENT RELATIONS BOARD**  
**(SERB)**

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**IN THE MATTER OF THE FACT FINDING) BEFORE FACT FINDER**

**Between ) VERONICA A RICE**  
**Fraternal Order of Police ) CASE NO(s): 2017-MED-09-1087**  
**Ohio Labor Council, Inc. ) 2017-MED-09-1088**  
**) 2017-MED-09-1089**  
**And ) HEARD: 1000 Market Street**  
**) READING, OHIO 45215-3283**  
**The City of Reading )**  
**) November 16, 2017**  
**)**  
**) ISSUED: November 30, 2017**

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**APPEARANCES**

**ON BEHALF OF (FOP/OLC.) ) ON BEHALF OF**  
**) THE CITY OF ADING**  
**Mr. Barry Gray ) Mr. Patrick G. Ross**  
**Senior Staff Representative ) Safety-Service Director**  
**Kevin Poppe- Representative )**  
**Brian Thompson Representative )**  
**Doug Farrell Representative )**  
**Jennifer Setters Representative )**  
**(Dispatchers & Clerks) )**

## **Description of the Employer**

The employer is in the City of Reading, Ohio. The City of Reading is located in Hamilton County, and is a suburb of Cincinnati, Ohio in Southwestern Ohio. The City of Reading is a blue collar community. According to the census data, the population as of 2014 for the City of Reading was 10,354, slightly below the 2010 census estimate of 10,315. Both the estimated per capita income of \$24,535 and median income of \$43,353 are up from the 2010 census but falls below the state levels. According to the State of Ohio's Unemployment Rates for September 2017 (not seasonally adjusted), Hamilton County Reading) are well below the state's unemployment level. There are no known employer's in the area that have left the City or have had a negative financial economic impact on the City of Reading.

## **Description of the Bargaining Unit**

There are currently 22 employees in the three (3) bargaining units: three (3) in the Dispatcher and Clerk Unit, fifteen (15) in the Patrolmen unit and four (4) in the Lieutenant unit. There is currently one (1) vacancy in the Lieutenant unit.

## **History of Bargaining**

The parties (union) and City) held two (2) negotiation meetings for bargaining wage reopener. September 21, 2017 and the last being October 4, 2017. The city offered the union (FOP) the same offer/or language and wage offer that if offered to the city's Firefighter union members whom had accepted the offer of "that their wages for 2018 and 2019 would be directly tied to the earnings tax revenue the city received for the prior year." To break it down:

- All FOP members will receive a 2% wage increase if the City's Earnings Tax receipts are greater or equal to 1.5% of the prior year.
- All FOP members would receive 3% wage increase if the City's Earnings Tax receipts are greater or equal to 5% of the prior year.
- All FOP members will receive a 0% wage increase if the City's Earnings Tax receipts are less than 1.5% of the prior year.

During the same negotiations meeting on October 4, 2017, the same offer was presented by both sides: the city presented wages tied to the Earnings Tax receipts which the union rejected, and maintained their position of 5%. Both sides concluded they had reached an impasse.

The City and Union entered into an extension agreement on October 17, 2017 extending the fact finders hearing to November 16, 2017 and the waiver of ORC 4517.14 (G) (11).

## **Introduction**

Case No. 2017-MED-09-1087 includes all full time Dispatchers and Clerks (3) employed by the City of Reading.

Case No. 2017-MED-09-1088 includes all full time Patrolmen (15) employed by the City of Reading

Case No. 2017-MED-09-1089 includes all full time Lieutenants (4) employed by the City of Reading.

The parties (City and Union) conducted two negotiations to bargain for wages on September 21, 2017 and October 4, 2017. The negotiations were a result to the unresolved issue of the reopener clause for wages only.

Therefore, this matter comes to fact-finding following impasse between Fraternal Order of Police, Ohio Labor Council, Inc., and the City of Reading Ohio for Article 12 Wages Only.

### **The issue submitted for fact finding is as follows:**

#### **Article 12 Wages**

On October 23, 2017, the State Employment Relations Board (SERB) appointed Veronica A Rice as the Fact-Finder. By agreement of the parties, a fact finding hearing was held November 16, 2017 at 9:50 A.M., at the Reading Municipal Building located at 1000 Market Street Reading, Ohio 45215. The parties to this matter are Fraternal Order of Police, Ohio Labor Council, Inc., (Union) and the City of Reading, Ohio (Employer). The employer is located in southern Ohio in a suburb of Cincinnati, Ohio. There are three (3) bargaining units: all full time Dispatchers and Clerks, all full time Patrolmen and all full time Lieutenants according to the documentation provided to the fact finder.

On the day of the hearing, a good faith effort was made to resolve the remaining issue through mediation as mandated by the Ohio Revised Code, and Ohio Administrative Code and the policies of SERB. The parties didn't agree to mediate the issue. The fact-finding hearing commenced. The parties had submitted their pre-hearing data by 5P.M. the day before the hearing, however, the City's submission did not adhere to the guidelines as outlined under the Position Statements Section in the State Employment Relations Board (SERB) Fact-Finding Guidebook, reference (O.A.C. Rule 4117-9-05(F)). An objection was made at the opening of the hearing to the fact of the information submitted by the City not meeting SERB's guidelines.

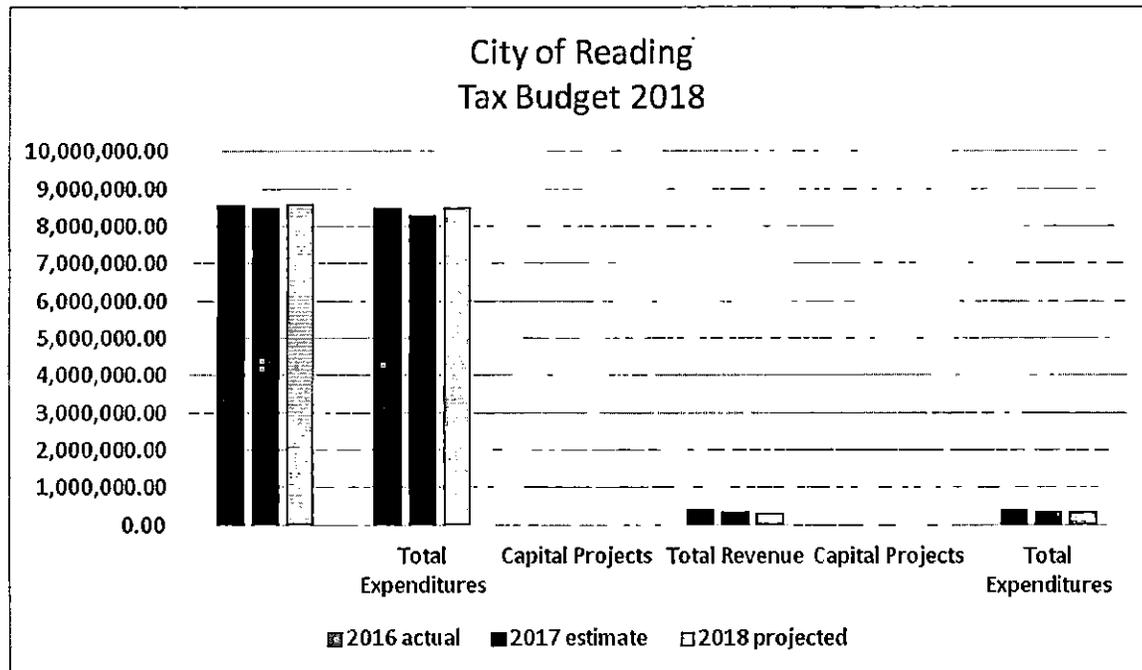
## **BACKGROUND**

The Employer affirmed that the City was financially unable to give guaranteed pay raises to the FOP, and stated that to do so would create a financial hardship and potentially exceed the revenue that would be earned in the previous year. The argument to tie the pay increases to the yearly tax receipts was the only reasonable solution to the issue. It was also stated that the Fire Fighters Union and members had agreed to the same proposal that was being offered to the FOP. Again the pay increases would be directly tied into the City's Earning Tax receipts which appeared to them to be a fair and equitable offer and would make a pay increase reasonable and manageable given the size of the community and the fact that there was no way to determine in advance what portion of the projected revenue would be available for a 5% across the board pay increase.

The City pointed out that there were no reserves in the budget for emergencies. That guaranteed wage increases, when the City's finances cannot afford it, is something that harms the city as a whole, is irresponsible and would be harmful to the normal operation of the City.

The City's Earnings Tax collection as of October, 2017 is down \$147,990.19 from the 2016 collection and even if the FOP was given a 1% wage increase it would cost an estimated \$23,000.00, which would increase the current deficit to \$171,275.83.

The chart below reflects (Ordinance # 2017-39) the Budget for Calendar year beginning January 1, 2018 has been adopted by council and was submitted for consideration of the Hamilton County Budget Commission.



The Union noted that the first negotiations (September 21, 2017), included a reduction of steps in the Wage Scale to five (5) steps, but stated that for the purpose of this Fact-finding, it had modified the original proposal, dropping the proposal to reduce the number of steps, but maintaining the 5% increase in pay effective on the first full pay period of January, 2018.

The Union also noted that at the second and final negotiation session (October 4, 2017) it was asked of the City if it would accept any offer other than wages being tied directly to Earnings Tax receipts, whereby the City indicated that they would only consider a 0% increase or wage freeze if the Union did not accept the Earnings Tax plan.

The Union strongly objects to this plan and presented information to be included in the Fact-finding which it considers pertinent to their request for a 5% across the board pay increase for the FOP, with the Lieutenants receiving the standard increase of 15% greater than the Patrol Officer Step H Rate.

The Union submitted documents regarding several ordinances and resolutions approved by the City for fiscal years 2015, 2016 and 2017. These ordinances and resolutions represent position changes and pay increases for various City employees.

Ordinance 2015-99: An ordinance granting the Auditor the right to make an election to become a full time employee and the establishment of the position of full time Auditor with benefits and declaring an emergency.

Ordinance 2015-98: An ordinance establishing supplemental pay and benefits for certain employees, (City Clerk, Chief of Public Works, Assistant Fire Chief), effective with the first pay period in January, 2016 and declaring an emergency.

Resolution 2016-83R: A resolution granting step changes for the Safety and Service Director and declaring an emergency

Ordinance 2016-85: An ordinance authorizing the adjustment of appropriations in the general fund and declaring an emergency.

Ordinance 2017-39: Approval of the budget for calendar year beginning January 1, 2018 has been adopted and submitted for consideration to the Hamilton County Budget Commission.

The positions declared an emergency in these actions were not for Bargaining Unit employees, however, there could potentially have been budgetary impacts to the City's bottom line with their passage.

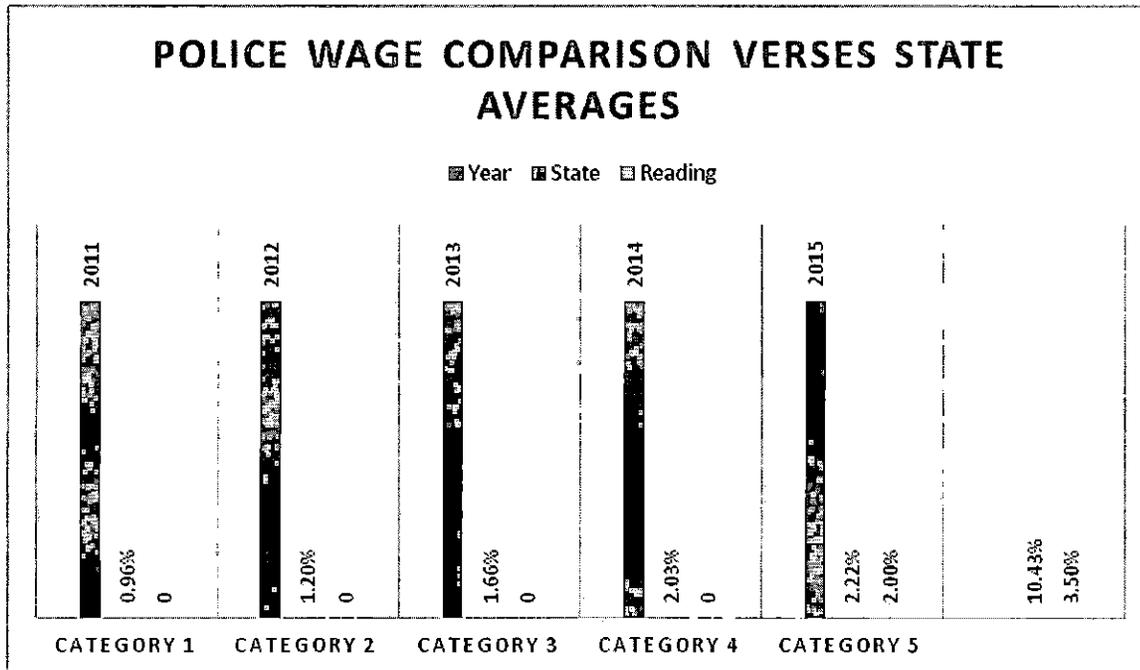
As referenced in a previous Fact-finding report, regarding wage negotiations, dated April 29, 2015, it is worth noting that the City's proposal to increase wages based upon increases in the General Fund, while purposely meritorious, is fraught with problems. Since the General Fund can be increased or decreased based upon a re-apportionment by the City (e.g. City Earning Tax Collection can be apportioned between a Capital Improvements Fund and the General Fund), City management has the ability to control revenues in the General Fund. This is not to suggest, in any way, that the City intended to manipulate wages based upon this formula, but that the opportunity to do so makes such a formula fraught with problems.

A wage comparison for Patrol Officers was submitted by the Union, comparing several Cities in Hamilton County, Ohio with a population of +/- 2,000 residents of Reading Ohio, which demonstrates an average pay difference of \$2,481.65 or 3.54% greater than Officers in Reading.

City	Population	2017 Wage	L/P
Springdale	11,182	\$79,019.20	L
Blue Ash	12,159	\$77,875.20	L
Maderia	8,976	\$77,417.60	L
Montgomery	10,625	\$75,982.40	L
Wyoming	8,411	\$70,332.29	L&P
Reading	10,324	\$70,102.90	L
Harrison	10,666	\$67,579.20	
N. College Hill	9,332	\$62,367.61	P

\*L = Longevity      \*P = Pension Pick-Up

As noted on the Police Wage comparison Verses State Averages



As reflected, the Reading Police seems behind the state's average by 6.93%

## Recommendation

It is recommended that Article XII-Wages, be amended to reflect a 2.5% wage increase effective the first full pay period of January 2018.

## Conclusion

In this report I have attempted to make reasonable recommendations that both parties will find acceptable. If errors are discovered or if the parties believe they can improve upon recommendations, the parties by mutual agreement may adopt alternative language.

After giving due consideration to the positions and arguments of the parties and to the criteria enumerated in the Ohio Revised Code Section 4117.14, the fact finder recommends the provision herein.

In addition, all tentative agreements reached by the parties are hereby incorporated by reference into this Fact Finding Report, and should be included into the resulting Collective Bargaining Agreement.

Date: November 30, 2017



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Veronica A Rice, Fact-Finder  
Orange Village, Ohio 44122-4763

## **Certificate of Service**

I certify that a true and accurate copy of this Fact Finder Report was sent by e-mail and First Class UPSP mail on November 30, 2017 to:

### **State Employment Relations Board**

Mary E. Laurant  
65 E. State Street  
Columbus OH 43215  
Mary.laurant@serb.state.oh.us

Barry Gray  
Senior Staff Representative  
Fraternal Order of Police, Ohio Labor Council.,  
P.O. Box 6006  
Oxford OH 45056-6006

Patrick Ross  
City of Reading, Safety-Service Director  
1000 Market Street  
Reading, OH 45215-3283