

STATE EMPLOYMENT
RELATIONS BOARD

2003 APR 15 A 10:29

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

SERB CASE NOS. 2002-MED-04-0412
2002-MED-04-0413
2002-MED-04-0414

FRATERNAL ORDER OF POLICE,
OHIO LABOR COUNCIL, INC.

and

CITY OF LIMA

MICHAEL MARMO
CONCILIATOR

APRIL 15, 2003

HEARING

The Conciliation Hearing took place on Thursday, April 3, 2003 in the conference room of the City Building at 50 Town Square in Lima, Ohio, and lasted from 10:00-11:30 a.m. Representing the FOP were its principal representative, Dennis Sterling, a staff representative for the FOP; Joe Nolan, a Detective representative; Maryanne Golden, a Communications representative; and Anthony Gladden. Representing the City of Lima were Vince Ozier, Director of Human Resources; Catherine Garlock, Chief of Staff; Greg Garlock, Police Chief; Steve Cleaves, Finance Director; Patrick Hire, Clemans, Nelson Account Manager; Larry Winegardner, Major ; and the City's principal representative Donald J. Binkley, Regional Manager for Clemans, Nelson, & Associates, Inc.

ISSUES REMAINING AT IMPASSE

The parties reached a tentative agreement on all issues with the exception of two; wages and insurance. Their final positions on each of these issues were submitted to the Conciliator according to SERB requirements. The final positions of both parties on the issue of insurance were identical. Thus, at the outset of the Hearing one issue remained in dispute; wages.

FINAL POSITIONS OF THE PARTIES

The Employer's final offer was a 2.75% general increase effective January 1, 2003, a 3% general increase effective January 1, 2004, and a 3.25% general increase effective January 1, 2005.

The FOP's final offer was a 3% general increase effective January 1, 2003, a 3.25% general increase effective January 1, 2004, and a 3.50% increase effective January 1, 2005.

MEDIATION

Mediation was attempted, but was not effective in resolving the differences between the parties.

CRITERIA FOR DECISION

As provided by the requirements of the State Employment Relations Board, the Conciliator based his decision on the following:

- A comparison of 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;
- The interest and welfare of the public, and 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;
- The lawful authority of the public employer;
- Any stipulations of the parties; and
- 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 dispute settlement procedures in the public sector or in private employment.

POSITIONS OF THE PARTIES

The City argued that its offer to bargaining unit members exceeds the settlement it recently reached with non-uniformed employees represented by AFSCME, when the issues of wages and insurance are taken into consideration. Although recent negotiations with the Sergeants and Lieutenants in the Lima Police Department resulted in annual wage increases of 3.25%, 3.25%, and 3.5%, the City argued that these increases were offset by

much higher insurance premiums being shifted to the Sergeants and Lieutenants.

The City argued that the issues of wages and insurance must be viewed in tandem; and when this is done, their final offer to bargaining unit members compares very favorably with the recent settlements with the AFSCME and Police supervisory units.

The City said that the salaries of bargaining unit members at both the entry and top levels are comparable to those of other cities in SERB's Toledo region.

Finally, the City said that its final offer is appropriate considering the serious financial difficulties the City is currently experiencing. The City indicated that the decline in population they have experienced, plus the complete shutdown, or reductions in force among area employers have created these budgetary problems. The City argued that revenue estimates for 2003 are less than for the previous four years as a result of projected negative growth in both the City income tax and local government funds.

Faced with these financial difficulties, the City said, it must limit salary increases for bargaining unit members as a way of protecting their jobs. A one percent salary increase, the City estimated, has approximately the same cost to the City as one police officer.

The FOP argued that based on the use of their "comparables", bargaining unit members are significantly underpaid. The FOP suggested that the appropriate comparables should be those cities included by Clemans, Nelson and Associates, when the consulting firm conducted a survey of salaries of administrative personnel. Using this basis of comparison, the starting salaries of Lima police officers are 14% below average at the starting rate and 17% below average at the top rate.

In addition, the FOP submitted a number of newspaper articles indicating that certain individuals or groups in the City have been offered higher increases than those proposed

for bargaining unit members.

DISCUSSION

There is not much difference between the final positions of the parties; both parties agree that their differences amount to a total cost of approximately \$30,000 over the three year life of the agreement.

Both sides also agree that the City is facing serious financial difficulties. The already experienced loss of revenue, plus the projected future losses are very real and are recognized by both the City and the FOP.

The main disagreement between the parties concerns the appropriate groups to use as comparables for bargaining unit employees. The FOP proposed the use of those cities surveyed by Clemans, Nelson and Associates in 2001 when they attempted to determine the appropriate salaries for the six or seven City administrators that report directly to the Mayor. The cities included in this survey were Cuyahoga Falls, Elyria, Findlay, Lakewood, Mansfield, Massillon, Middletown, Upper Arlington, Warren, and Westlake. The City proposed that the appropriate comparables are those cities included in SERB's Toledo region: Toledo, Oregon, Sylvania, Bowling Green, Findlay, Perrysberg, Maumee, Northwood, Tiffin, Fremont, Rossford, Fostoria, Delphos, Defiance, Wauseon, Clyde, Bryan, Kenton, Port Clinton, Napoleon and Ada.

The Conciliator does not believe that the use of either of these comparables is particularly helpful in establishing the appropriate salaries for bargaining unit members.

The cities cited by the FOP are not comparables for the purpose of establishing the salaries of bargaining unit members. Their main similarity to Lima is that they are

approximately the same size. Geographically, however, they are widely dispersed, being located in six different SERB regions. If you are attempting to determine the appropriate salary for administrative personnel, such a comparison is proper; the labor market for such jobs is regional in nature. Applicants for such jobs are often willing to relocate, so employers must take into account what similar sized cities in other parts of the state are offering in compensation. For police personnel, in comparison, the labor market is much more local in nature. A Police, or Corrections Officer, may be willing to commute thirty miles to take advantage of a higher compensation package, but it would be relatively unusual for them to relocate to enjoy a modest increase in their compensation. For this reason, most fact finders and conciliators consider appropriate comparables to be comprised of similar sized communities in relatively close proximity to the unit involved in negotiations.

The group of comparables proposed by the City is also flawed. Although they are all located in the SERB Toledo region, there are very significant size differences. Of the twenty cities cited by the City as comparables in the Toledo region (the City excluded Toledo), only two (Bowling Green and Findlay), have more than half as many people as Lima. Thus, the City's comparables may be geographically proximate, but they are very dissimilar in terms of size.

How then to decide on the appropriate salary increase for bargaining unit members? The differences between the final proposals of the two parties are extremely small, and reliance on comparables or the financial circumstances of the City cannot be determinative in deciding which final proposal is most appropriate.

What is determinative, is that the City's final proposal is the recommendation of the

fact finder. The basic purpose of Conciliation in the dispute resolution process is to provide a "safety valve" in the event the fact finder commits a particularly egregious error. The Conciliator does not believe that he should take a de novo consideration of the differences between the parties, when those differences represent only one-quarter of one percent for each year of a three year agreement. The fact finder apparently did an excellent job in this case in bringing the parties extremely close to a complete agreement. The Conciliator is not going to second guess his recommendation over such a de minimis difference in the final positions of the two parties.

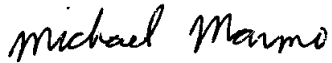
DECISION

For the reasons cited, the final position of the City shall be adopted. The specific employer final offer for Section 18.1 is attached.

On the issue of insurance, the final positions of both the City and the FOP(they are identical) shall be adopted. The specific wording of this position(Section 25.1) is attached.

In addition, all Articles tentatively agreed to or left unopened by the parties shall be included in the successor Agreement.

This concludes the Conciliator's decision.


Michael Marmo
Conciliator

Cincinnati, Ohio
April 15, 2003

PROOF OF SERVICE

This is to certify proof of service on April 15, 2003 by US Mail, overnight delivery to Donald J. Binkley, Clemans, Nelson & Associates, Inc., 417 North West Street, Lima,

Ohio 45801; Dennis E. Sterling, FOP, Ohio Labor Council, Inc., 222 East Town Street, Columbus, Ohio 43215; and by regular US Mail to Dale Zimmer, SERB, 65 E. State Street, 12th floor, Columbus, Ohio 43215-4213.

Michael Marmo

Michael Marmo
Conciliator

**CITY OF LIMA
EMPLOYER'S FINAL OFFER**

**ARTICLE 18
WAGES**

Section 18.1. Wage Steps.

A. Effective January 1, 2003, all employees covered by this Agreement shall receive a 2.75% general increase and be paid in accordance with the following schedule:

| <u>Position</u> | <u>Start</u> | <u>After 6 mos.</u> | <u>8 Yrs.</u> | <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22Yrs.</u> |
|-----------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| Detectives | \$ 19.32 \$1,545.60 | \$ 20.04 \$1,603.20 | \$ 20.24 \$1,619.20 | \$ 20.47 \$1,637.60 | \$ 20.69 \$1,655.20 | \$ 20.91 \$1,672.80 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8Yrs.</u> |
|-----------------|--------------|--------------|---------------|---------------|---------------|--------------|
| Police | \$ 15.50 | \$ 16.28 | \$ 17.03 | \$ 17.78 | \$ 18.58 | \$ 18.80 |
| Officer | \$1,240.00 | \$1,302.40 | \$1,362.40 | \$1,422.40 | \$1,486.40 | \$1,504.00 |

| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
|------------------------|------------------------|------------------------|
| \$ 19.02 \$1,521.60 | \$ 19.23 \$1,538.40 | \$ 19.43 \$1,554.40 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8Yrs.</u> |
|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Communi- cations | \$ 13.49 \$1,079.20 | \$ 14.51 \$1,160.80 | \$ 15.09 \$1,207.20 | \$ 15.58 \$1,246.40 | \$ 16.09 \$1,287.20 | \$ 16.32 \$1,305.60 |

| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
|------------------------|------------------------|------------------------|
| \$ 16.55 \$1,324.00 | \$ 16.73 \$1,338.40 | \$ 16.96 \$1,356.80 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|-----------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Corrections | \$ 13.18 \$1,054.40 | \$ 14.22 \$1,137.60 | \$ 14.70 \$1,176.00 | \$ 15.19 \$1,215.20 | \$ 15.71 \$1,256.80 | \$ 15.93 \$1,274.40 |

| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
|------------------------|------------------------|------------------------|
| \$ 16.15 \$1,292.00 | \$ 16.35 \$1,308.00 | \$ 16.58 \$1,326.40 |

To qualify for the 1 year step, the employee must have successfully completed one (1) year of service and have satisfactorily completed his probationary period.

**CITY OF LIMA
EMPLOYER'S FINAL OFFER**

The City shall advance the employee to the next highest pay step on the first pay period following the required months of service in each step.

For the 8, 14, 18, and 22 year steps, the employee's anniversary date shall determine his year of service. Payment is based upon total years of continuous service with the City and satisfactory performance evaluation(s) during the preceding twelve (12) month period. Post-hire military time and all approved leave time shall count. Time lost due to suspension or leave without pay shall not count as continuous service.

- B. Effective January 1, 2004, all employees covered by this Agreement shall receive a 3.0% general increase and be paid in accordance with the following schedule:

| <u>Position</u> | <u>Start</u> | <u>After</u> | | | | |
|-----------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | <u>6 mos.</u> | <u>8 Yrs.</u> | <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
| Detectives | \$ 19.90 \$1,592.00 | \$ 20.64 \$1,651.20 | \$ 20.85 \$1,668.00 | \$ 21.08 \$1,686.40 | \$ 21.31 \$1,704.80 | \$ 21.54 \$1,723.20 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yr.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|-----------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Police | \$ 15.97 | \$ 16.77 | \$ 17.54 | \$ 18.31 | \$ 19.14 | \$ 19.36 |
| Officer | \$1,277.60 | \$1,341.60 | \$1,403.20 | \$1,464.80 | \$1,531.20 | \$1,548.80 |

| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
|------------------------|------------------------|------------------------|
| \$ 19.59 \$1,567.20 | \$ 19.81 \$1,584.80 | \$ 20.01 \$1,600.80 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Communica- tions | \$ 13.89 \$1,111.20 | \$ 14.95 \$1,196.00 | \$ 15.54 \$1,243.20 | \$ 16.05 \$1,284.00 | \$ 16.57 \$1,325.60 | \$ 16.81 \$1,344.80 |

| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
|------------------------|------------------------|------------------------|
| \$ 17.05 \$1,364.00 | \$ 17.23 \$1,378.40 | \$ 17.47 \$1,397.60 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|-----------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Corrections | \$ 13.58 \$1,086.40 | \$ 14.65 \$1,172.00 | \$ 15.14 \$1,211.20 | \$ 15.65 \$1,252.00 | \$ 16.18 \$1,294.40 | \$ 16.41 \$1,312.80 |

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| | | |
|----------------|----------------|----------------|
| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
| \$ 16.63 | \$ 16.84 | \$ 17.08 |
| \$1,330.40 | \$1,347.20 | \$1,366.40 |

C. Effective January 1, 2005, all employees covered by this Agreement shall receive a 3.25% general increase and be paid in accordance with the following schedule:

| <u>Position</u> | <u>Start</u> | <u>After</u> <u>6 mos.</u> | <u>8 Yrs.</u> | <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
|-----------------|--------------|-------------------------------|---------------|----------------|----------------|----------------|
| Detectives | \$ 20.55 | \$ 21.31 | \$ 21.53 | \$ 21.77 | \$ 22.00 | \$ 22.24 |
| | \$1,644.00 | \$1,704.80 | \$1,722.40 | \$1,741.60 | \$1,760.60 | \$1,779.20 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|-----------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Police | \$ 16.49 | \$ 17.32 | \$ 18.11 | \$ 18.91 | \$ 19.76 | \$ 19.99 |
| Officer | \$1,319.20 | \$1,385.60 | \$1,448.80 | \$1,512.80 | \$1,580.80 | \$1,599.20 |

| | | |
|----------------|----------------|----------------|
| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
| \$ 20.23 | \$ 20.45 | \$ 20.66 |
| \$1,618.40 | \$1,636.00 | \$1,652.80 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|--------------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Commun ications | \$ 14.34 | \$ 15.44 | \$ 16.05 | \$ 16.57 | \$ 17.11 | \$ 17.36 |
| | \$1,147.20 | \$1,235.20 | \$1,284.00 | \$1,325.60 | \$1,368.80 | \$1,388.80 |

| | | |
|----------------|----------------|----------------|
| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
| \$ 17.60 | \$17.79 | \$ 18.04 |
| \$1,408.00 | \$1,423.20 | \$1,443.20 |

| <u>Position</u> | <u>Start</u> | <u>1 Yr.</u> | <u>2 Yrs.</u> | <u>3 Yrs.</u> | <u>4 Yrs.</u> | <u>8 Yrs.</u> |
|-----------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Corrections | \$ 14.02 | \$ 15.13 | \$ 15.63 | \$ 16.16 | \$ 16.71 | \$ 16.94 |
| | \$1,121.60 | \$1,210.40 | \$1,250.40 | \$1,292.80 | \$1,336.80 | \$1,355.20 |

| | | |
|----------------|----------------|----------------|
| <u>14 Yrs.</u> | <u>18 Yrs.</u> | <u>22 Yrs.</u> |
| \$ 17.17 | \$ 17.39 | \$ 17.64 |
| \$1,373.60 | \$1,391.20 | \$1,411.20 |

**CITY OF LIMA
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**ARTICLE 25
INSURANCE**

Section 25.1. Health Insurance. The Employer shall provide health insurance and group term life insurance coverage for each bargaining unit employees as determined by the City of Lima Health Care Cost Committee.

Effective January 1, 2003, the employee shall contribute five dollars (\$5.00) premium to the single plan, ten dollars (\$10.00) premium to the single plus one plan, and twenty dollars (\$20.00) to the family pan on a monthly basis.

Effective January 1, 2004, employees shall contribute seven dollars and fifty cents (\$7.50) premium to the single plan, fifteen dollars (\$15.00) premium to the single plus one plan, and twenty-five dollars (\$25.00) premium to the family plan on a monthly basis.

Effective January 1, 2005, employees shall contribute ten dollars (\$10.00) premium to the single plan, twenty dollars (\$20.00) premium to the single plus one plan and thirty dollars (\$30.00) to the family plan on a monthly basis.