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CONCILIATION PROCEEDING PURSUANT TO O.R.C. 4117.14(D)
UNDER THE AUSPICES OF THE STATE EMPLOYMENT RELATIONS BOARD

In the Matter Between	◆	
	◆	
LICKING COUNTY FOP LODGE #127	◆	
	◆	Conciliation
and	◆	Award
	◆	
CITY OF NEWARK	◆	
	◆	
SERB CASE NOS. 2016-MED-10-1183/1184	◆	

This Conciliation arises pursuant to Ohio Revised Code Section 4117.14(D). The Parties, City of Newark (“the City”) and Licking County FOP Lodge # 127 (“the Union”), selected Susan Grody Ruben to serve as sole, impartial Conciliator and she was thereby appointed Conciliator by the State Employment Relations Board. Her Award is issued below.

The Parties convened for conciliation on April 3, 2017 in Newark, Ohio.

APPEARANCES:

On behalf of the Union:

Chuck Choate, Senior Staff Representative, FOP/OLC, Inc., Akron, OH.

On behalf of the City:

Jonathan J. Downes, Esq., Zashin & Rich, Columbus, OH.

BACKGROUND

The Parties went to Factfinding, and a Factfinder's Report was issued by Harry Graham on December 6, 2016.

At the time of the issuance of this Conciliator's Award, only the issue of wages remained open.¹

Statutory Criteria

The Conciliator has analyzed the record evidence in the context of the statutory criteria found in Ohio Revised Code Section 4117.14(G)(7):

- a) Past collectively bargained agreements...between the parties;

¹ There were four issues in Factfinding: Wages, Longevity, Vacation, and Insurance. Prior to the issuance of this Conciliation Award, the Parties reached agreement on Longevity, Vacation, and Insurance. Those agreements, as well as all other agreements reached during negotiations between the Parties, are hereby incorporated into this Conciliation Award.

- b) Comparison of the issues submitted to final offer settlement relative to the employees in the bargaining unit involved with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved;
- c) The interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect on the normal standard of public service;
- d) The lawful authority of the public employer;
- e) The stipulations of the parties; and
- f) Such other factors, not confined to those listed...which are normally or traditionally taken into consideration in the determination of the issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution procedures in the public service or in private employment.

Bargaining Units

There are two bargaining units. The Police Officers “Blue” unit has approximately 54 full-time members. The Supervisors “Gold” unit has approximately 14 full-time members.

Wages

The Union's final proposal is a 2% raise in each of the three contract years.

The City's final proposal is 1.75%, 1.75%, and 1.5%.

The City's finances are still feeling the effects of the recent recession and State cutbacks.² While the City's finances are now relatively stable, to keep them stable, the City must continue to prudently budget. This is particularly true in light of voters' rejection of a 0.25% income tax increase levy in November 2016 that would have provided approximately \$400,000 to the Police Department.

Also of financial significance in 2016 and early 2017 was the City's unexpected need to enact two ordinances to provide a total of \$517,260 in additional funds to the City's self-insured health insurance plan.

A further indication of the City's continuing need to remain prudent with its finances is a relatively modest General Fund carryover at the end of

² In 2016, the City had a 9% loss in General Fund revenue due primarily to State cutbacks. Local Government Fund receipts, cut by 50% by the State, resulted in an annual \$1.1 million loss. The State's elimination of the Estate Tax had averaged \$800,000 in annual revenue to the City. The State's elimination of the Intangible Personal Property Tax had averaged \$225,000 in annual revenue to the City.

2016 – approximately 13%, rather than the 16% recommended by the Government Finance Officers Association.

Financial growth for the City in the near future is not expected. In fact, in 2015, 76% of the largest 50 employers in the City were non-profit entities. The manufacturing sector, which comprised 31% of the City's largest 50 employers in 2006, has fallen to 17% in 2015. The City's labor force has been stagnant – 23,800 in 2000, to 23,200 in January 2017.

Insofar as comparable jurisdictions' police wages are concerned, these City employees are compensated roughly in the middle of the pack.

Based on these facts and the statutory criteria, the Conciliator awards the City's final proposal on wages:

January 1, 2017³ – 1.75%

January 1, 2018 – 1.75%

January 1, 2019 -- 1.50%

Rank differential between Police Officers (the "Blue" unit) and supervisors (the "Gold" unit) shall remain the same.

This wage award is made with the knowledge that the City is still negotiating contracts with the IAFF and with AFSCME. For internal equity in

³ The 1.75% raise retroactive to January 1, 2017 applies to Police Officers and Supervisors employed by the City on April 3, 2017.

the City, the expectation is that these wage increases shall form the basis of a pattern for all City bargaining units.

April 4, 2017

Susan Grody Ruben
Conciliator