

November 27, 2018

MEMORANDUM TO: Councilmember Elizabeth C. Brown
Finance Committee Chair

FROM: Joe A. Lombardi
Finance and Management Director

SUBJECT: General Fund Financial Impact of Tentative FOP Contract (2017-2020)

Negotiations between the City of Columbus and the Fraternal Order of Police (FOP) Capital City Lodge No. 9 have resulted in the proposal of a Fact Finder's Award. The agreement represents approximately 1,951 uniformed employees (50 of which will start December 2018) paid out of the general fund. The predecessor collective bargaining agreement expired on December 9, 2017, and the successor agreement will be effective through December 8, 2020.

The stipulations contained in the agreement will have a fiscal impact on the general fund of approximately \$46.7 million over the three year term. The agreement includes across the board wage increases, changes affecting top-step officer pay and rank differential, an increase in shift differential, and reductions in the City's obligation related to the employee share of pension contributions. Additionally, costs associated with health insurance coverage were addressed through increases in the employee's share of health insurance premiums, increases in deductibles and out-of-pocket maximums, and other changes to the plan designs of medical and prescription drug insurance coverages. All new employees hired on or after January 1, 2020 will contribute 20% of medical insurance premiums.

Across the board wage increases of 3% will be effective with the pay periods that include December 9, 2017 (retroactively), December 9, 2018, and December 9, 2019. Also effective with the pay period that includes December 9, 2019, a new Police Officer Step F will be added to the wage table with a rate established 3% higher than the existing top Police Officer step, to which officers with at least nine years of continuous service with the City will advance. Furthermore, shift differential will increase from \$0.90 to \$1.25 upon ratification of the agreement. The City's obligation associated with the employee share of pension contributions will decrease from 1.5% to 1.25% as soon as possible following implementation in the City's payroll system, and from 1.25% to 0.75%, effective with the pay period that includes December 9, 2019. Some additional savings will be achieved through a reduction in rank differential, from 18% to 15%, as officers are promoted above the rank of Sergeant beginning in 2020.

The attached table details the cost implications associated with the proposed collective bargaining agreement. If you have any questions specific to the financial aspects of this contract, please contact Josh Hopping (645-5695) or myself.

Attachment

C: Andrew J. Ginther, Mayor
Greg Davies, Chief of Staff
Ken Paul, Deputy Chief of Staff
Nichole Brandon, Human Resources Director
Brooke Carnevale, Deputy Director Human Resources
Ron Linville, Chief Labor Negotiator
Christopher Moses, Labor Relations Manager
Members of City Council



General Fund Fiscal Impact of FOP Successor Agreement 2017 - 2020				
Contract Year	Year 1	Year 2	Year 3	TOTAL CONTRACT
Dates	Dec. 9 '17 - Dec. 8 '18	Dec. 9 '18 - Dec. 8 '19	Dec. 9 '19 - Dec. 8 '20	Dec. 9 '17 - Dec. 8 '20
Wage Increases	6,584,587	13,461,827	25,732,623	45,779,037
Pension Pickup	66,447	(240,189)	(888,909)	(1,062,651)
Shift Differential	-	980,616	1,051,158	2,031,774
Total General Fund Cost	\$ 6,651,034	\$ 14,202,254	\$ 25,894,872	\$ 46,748,160

