

## MEMORANDUM

To: Priscilla R. Tyson, Finance Committee Chair, Columbus City Council  
From: Paul R. Rakosky, Director, Finance and Management *PRR*  
Date: October 23, 2012  
Subject: General Fund Financial Impact of FOP Collective Bargaining Agreement (2011-2014)

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The 2011- 2014 collective bargaining agreement between the City of Columbus and the Fraternal Order of Police (FOP), Capital City Lodge No. 9 will be presented for City Council's acceptance. The agreement represents approximately 1,903 uniformed employees (50 of which will start January 2013) paid out of the general fund. The current collective bargaining contract expired December 08, 2011 and the successor collective bargaining agreement will be retroactive to December 09, 2011 and be effective through December 08, 2014.

The stipulations of the agreement will have a fiscal impact on the general fund of approximately \$24.5 million over the three year term. The agreement includes an increase in wages and uniform maintenance allowance and savings from an increase in employee insurance premium contributions and reductions to the City's obligation related to the employee share of pension contributions.

Across the board wage increases of 2%, 3%, and 4% effective with the pay period that includes December 9th of 2011, 2012 and 2013 coupled with an increase of \$100 for uniform maintenance allowance represent the costs of the agreement. The savings of the agreement are represented by an increase in employee insurance premium contributions from 9% to 10% effective April 1, 2013; and a reduction in the City's obligation related to the employee share of pension contributions of one percent effective with the pay period that includes December 9<sup>th</sup>, 2012 and 2013. Additional savings will be realized from all new members hired on or after January 1, 2013 who will be responsible for paying the full employee share of pension contributions.

Should there be any questions regarding the financial impact of the agreement, please contact Melissa Meyer at 645-5911 or myself at 645-8045.

- c Members of City Council
  - Michael B. Coleman, Mayor
  - Michael D. Reese, Chief of Staff
  - Sherry Kish, Deputy Chief of Staff
  - Chet C. Christie, Human Resources Director
  - Janet J. Lanza, Labor Relations Manager
  - Ron Linville, Chief Negotiator
  - Adam Robins, Budget Management Officer

City of Columbus  
 General Fund Financial Impact of FOP Agreement Dec '11 - Dec '14  
 October 23, 2012

Contract Year	1	2	3	Cumulative
Contract Dates	Dec. 09 '11-Dec. 08, '12	Dec. 09 '12-Dec. 08, '13	Dec. 09 '13-Dec. 08, '14	Dec. 09 '11-Dec. 08, '14
Wage Increase	2%	3%	4%	Net 9%
Pension P/U Reduction	0%	1%	1%	Net 2%
Uniform Maintenance Allowance Increase	\$100	\$0	\$0	Net \$100
Insurance Employee Contribution Increase	0%	1%	0%	Net 1%
Total Wages and Associated Benefits	\$ 3,279,712	\$ 8,782,209	\$ 16,399,929	\$ 28,461,851
Pension Pickup	\$ 143,848	\$ (1,304,051)	\$ (2,710,554)	\$ (3,870,757)
Uniform Maintenance Allowance	\$ 173,442	\$ 176,585	\$ 176,585	\$ 526,612
Insurance	\$ -	\$ (236,339)	\$ (337,177)	\$ (573,516)
Total Net Cost	\$ 3,597,102	\$ 7,418,405	\$ 13,528,783	\$ 24,544,190