

June 15, 2017

MEMORANDUM TO: President Pro Tem Priscilla Tyson
Finance Committee Chair

FROM: Joe A. Lombardi *JAL*
Finance and Management Director

SUBJECT: Financial Impact of Tentative FOP-OLC Contract

The 2017-2020 collective bargaining agreement between the City of Columbus and the Fraternal Order of Police Ohio Labor Council, Inc. will be presented for City Council's acceptance. The agreement represents 51 full-time employees paid out of the general fund. The current collective bargaining agreement expires on June 15, 2017, and the succeeding agreement will be retroactive to June 16, 2017 and will be effective through June 15, 2020.

The stipulations contained in the agreement will have an aggregate cost of approximately \$796,004 within the general fund. The contract includes an across-the-board wage increase, an increase in the service credit, an increase in shift differential pay, an increase of the conversion rate of sick leave, and an increase of tuition reimbursement. Offsetting a portion of the increase in personnel costs is a decrease in the City's obligation associated with the employee share of pension contributions. The contract also includes increases in the employee's share of health insurance premiums, and changes to the plan designs of medical and prescription drug insurance coverages.

An across-the-board wage increase of 3% will be effective June 15th of each year for 2017 through the final year of the contract for 2019. This is partially offset by a corresponding decrease in the City's obligation associated with the employee share of pension contributions from 3% to 2% in year one, effective August 4, 2017, from 2% to 1% in year two, effective August 4, 2018, and from 1% to 0%, effective August 4, 2019. The supplements to the contract include: a one-time increase of \$50 in each service credit tier effective for the term of the contract; an increase of the cap to tuition reimbursement to four thousand five hundred dollars (\$4,500.00) for undergraduate and graduate studies from \$3,500 for undergraduate and \$3,750 for graduate; an increase to shift differential pay from seventy (\$.70) cents to eighty (\$.80) cents an hour; and an increase of the conversion rate of sick leave to vacation leave from forty-eight (48) hours up to sixty-four (64) hours annually. The employee portion of medical insurance premiums for current employees will increase from 13% to 14% on April 1, 2018, and then from 14% to 15% on April 1, 2019. All new employees hired on or after September 1, 2017 will contribute 20% of medical insurance premiums.

The attached worksheet illustrates the costs and savings associated with the various stipulations contained within the proposed collective bargaining agreement. If you have any questions specific to the financial aspects of this contract, please contact Jeremy Knott (645-1359) 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
Michael Duco, Labor Relations Manager
Members of City Council



Fiscal Impact of FOP-OLC Contract

| Contract Year | 1 | 2 | 3 | Cumulative |
|-------------------------------------|----------------------------|----------------------------|----------------------------|-------------------|
| Contract Dates | June 16, '17- June 15, '18 | June 16, '18- June 15, '19 | June 16, '19- June 15, '20 | |
| Wage Increase | 3% | 3% | 3% | Net 9% |
| Pension P/U Reduction | 1% | 1% | 1% | Net 3% |
| Total Wages and Associated Benefits | \$ 149,416 | \$ 284,423 | \$ 423,480 | \$ 857,319 |
| Pension Pickup | \$ (53,714) | \$ (52,864) | \$ (51,989) | \$ (158,567) |
| Net Total | \$ 95,702 | \$ 231,559 | \$ 371,491 | \$ 698,753 |
| Service Credit | \$ 150 | \$ (1,550) | \$ (1,050) | \$ (2,450) |
| Tuition | \$ 1,750 | \$ 1,750 | \$ 1,750 | \$ 5,250 |
| Shift Differential | \$ 2,250 | \$ 2,250 | \$ 2,250 | \$ 6,749 |
| Conversion of Sick to Vacation | \$ 28,375 | \$ 29,226 | \$ 30,103 | \$ 87,703 |
| Gross Total | \$ 128,226 | \$ 263,234 | \$ 404,544 | \$ 796,004 |

