

**Fraternal Order of Police
City of Gainesville
Impasse Resolution Hearing**

City Management Presentation
By Stephanie Marchman

September 7, 2018

**Background:
This is our 2nd Impasse in 3 Years**

FOP declared impasse on June 8, 2015:

- Cited morale as main problem
- Proposed increased wages – a step plan – to solve it

What is a *Step Plan*?

- Each step = an automatic wage increase per year of service
- First step = base salary at the minimum of the pay range
- Last step = base salary at the maximum of the pay range

What is a *Step Plan*?

To begin a step plan when there is no such plan in place:

1. **Slotting:** all employees covered by the FOP bargaining unit (264 employees) would be slotted (or placed) on the proper step in the plan based on their years of service.

Slotting example:

- For a step plan with 20 steps, a 10-year employee presently earning \$42,000 would need to be slotted (or placed) on the 10th step, or \$51,000, since that employee is on the 1st step (\$42,000) before the step plan is implemented
- Slotting cost for this 1 employee = \$9,000
- Slotting cost for everyone in unit $\$9,000 \times 264 = \2.4 million

What is a *Step Plan*?

To begin a step plan when there is no such plan in place:

2. ***Automatic Annual Wage Increases***: the same group of employees then automatically receive wage increases after each year of service no matter their performance or the City's financial condition or priorities until the step plan is removed from the agreement (the new "*status quo*")

Automatic Annual Wage Increase Example:

2% step for our 10-year employee

$2\% * \$51,000 = \$1,020$

$\$1,020 * 264 \text{ employees} = \$269,280$

What is a *Step Plan*?

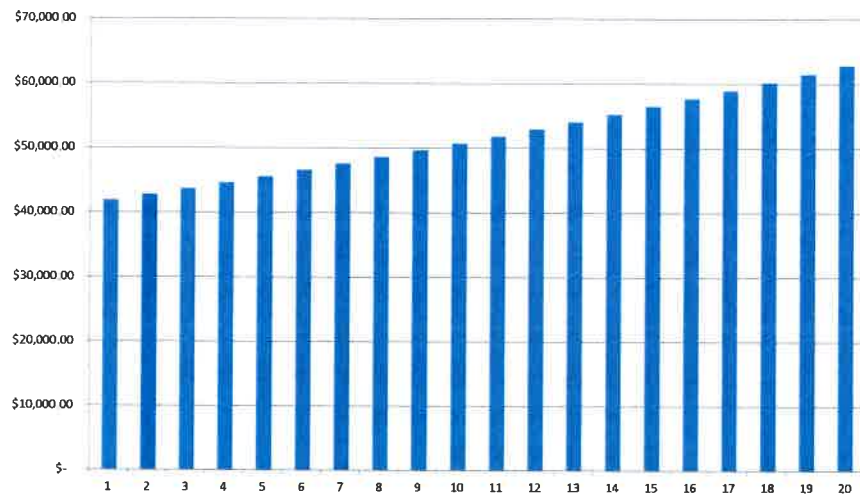
- While it might be said this is "a modest step plan" with 2% step increases, the total cost to actually start and continue a step plan is extraordinary:

Total cost = slotting + indefinite, automatic annual wage increases

- Example:

$\$2.4 \text{ million} + \$269,280 + \$274,666 + \$280,159 +$
 $\$285,762 + \$291,477 + \$297,307 + \$303,253 + \$309,318$
 $+ \$315,504 + \$321,814 = \text{\textbf{\$5.3 million + fringe benefits cost}}$

What is a *Step Plan*?



The Parties' Wage Positions 3 Years Ago

City's Wage Position: \$827,277 (\$450,989 of which was recurring):

- 1 ½ % wage increase retroactive to January 2014
- No wage increase for 2015
- 2% wage increase retroactive to January 2016

The Parties' Wage Positions 3 Years Ago

FOP's Wage Position: Step Plan -- \$1,257,889
in Year 1 (\$975,963 of which was recurring):

- Slotting = wage increase of 2% to 25% to place employees on their step
- Automatic annual wage increases thereafter based on tenure alone until employee reaches mid-point of pay range
- Once an employee reaches mid-point, a performance increase of 1%, 2%, or 3%
- An across-the-board 2% lump sum payment

Special Magistrate Sided with City Management 2 Years Ago

*"I do not recommend the adoption of the FOP's
salary proposal.*

*I recommend the adoption of the City's wage
proposal . . ."*

- Special Magistrate Mastriani, May 24, 2016

Parties Reached Agreement 2 Years Ago Prior to Public Hearing

- Agreement with FOP ratified on July 21, 2016
- Included \$1,457,000 in wage increases for FOP bargaining unit members – \$629,723 more than the City's impasse position

2016 Wage Increases Designed by the FOP

ARTICLE 29

WAGES

29.1 Base Rate Increase and One-Time Payment

A. Fiscal Year 2016 (October 1, 2015 – September 30, 2016)

Effective the beginning of the first pay period in July 2016 (July 4th), bargaining unit members listed in Exhibit II of this Agreement shall be eligible for a base rate increase as provided in Exhibit II. To receive the base rate increase provided in Exhibit II, an employee must be a bargaining unit member on July 4, 2016, and must be employed by the City of Gainesville at the time of final ratification of this Agreement.

B. One-Time Payments

Effective upon final ratification of this Agreement, bargaining unit members listed in Exhibit II of this Agreement shall be eligible for one-time lump sum, non-pensionable payments as provided in Exhibit II. To receive the one-time payments provided in Exhibit II, an employee must be employed by the City of Gainesville at the time of final ratification of this Agreement. The FOP agrees to indemnify, defend and hold the City harmless against any and all claims, suits, orders or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

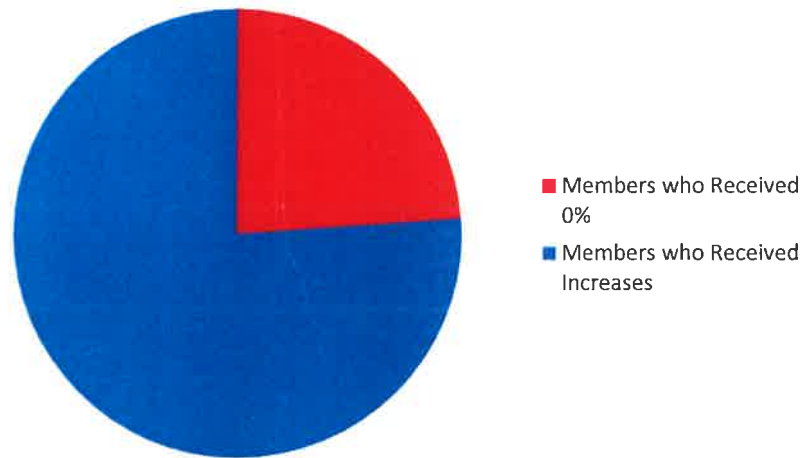
2016 Wage Increases Designed by the FOP

Employee	Annualized Base Rate Increase Under 29.1.A	Total One-Time, Lump Sum Payment Under 29.1.B (Non-Pensionable)
Collins, C (799)	\$720.08	\$3,181.81
Concannon, R (329)	\$0.00	\$1,741.80
Cook, E (874)	\$1,233.39	\$2,353.69
Cook, L (905)	\$1,102.79	\$2,393.18
Courville, G (906)	\$3,226.05	\$3,354.82
Crews, J (746)	\$5,429.94	\$4,456.77
Cummings, A (848)	\$2,099.04	\$2,788.32
Dale, C (442)	\$6,991.53	\$5,237.56
Davies, R (815)	\$4,046.76	\$3,765.18
Davis, A (867)	\$3,356.65	\$3,420.13
Davis, M (415)	\$5,744.55	\$4,814.07
Davis, M (887)	\$56.54	\$1,770.07
Decastro, J (788)	\$2,935.71	\$3,209.41
Denmark, M (118)	\$0.00	\$1,741.80
Devlin, J (884)	\$2,281.30	\$2,882.45
Diaz, D (501)	\$3,238.85	\$3,354.82
Diehl, D (284)	\$0.00	\$1,741.80
Dominic, N (780)	\$3,887.19	\$3,787.35
Donnelly, P (734)	\$3,635.22	\$4,559.41
Dorminey, C (569)	\$1,047.32	\$2,775.46
Dose, S (547)	\$0.00	\$0.00
Doualéhi, A (798)	\$720.08	\$2,181.81
Douglas, M (315)	\$0.00	\$1,741.80
Dunk, T (457)	\$4,953.85	\$5,218.13
Dykes, H (910)	\$2,338.70	\$2,662.66
Elli, W (403)	\$3,024.96	\$3,794.28
Ellis, T (643)	\$0.00	\$0.00
Evans, J (957)	\$0.00	\$0.00
Farmer, B (784)	\$1,795.37	\$2,639.48
Faherty, R (559)	\$5,339.28	\$4,411.79
Ferraro, N (434)	\$2,858.13	\$6,171.37

2016 Wage Increases Designed by the FOP

- New officer received \$0 while another officer received \$15,000 (or ~14% base rate increase plus a lump sum of ~\$6,000)
- 63 officers received a 0% base rate increase, 13 of whom also received no lump sum

2016 Wage Increases Designed by the FOP



Second Impasse

- Two months after 2016 FOP wage increases went into effect, contract expired and parties began collective bargaining process again
- FOP again declared impasse on May 16, 2017:
 - Citing turnover and increased workload as main problems
 - FOP again proposes increased wages – a step plan – to solve them

FOP Says . . .

"Losing well-experienced officers because they can get better pay elsewhere"

"Severe officer shortage"

FOP Turnover Rates are Normal

- Industry average in the South:
 - Overall turnover = 13.90%
 - Voluntary resignations = 10.07%
- FOP bargaining unit annual overall turnover is ~11% (59/264 employees over 2 years)
- 27 retirements under 20 and out plan (half turnover)
 - Average years of service = 21.28 years
 - Only 3 retirements under 20 years of service (1 disability, 1 rule of 70, 1 related to involuntary termination)
- 4 involuntary terminations and 1 voluntary demotion
- 27 voluntary resignations (half turnover)

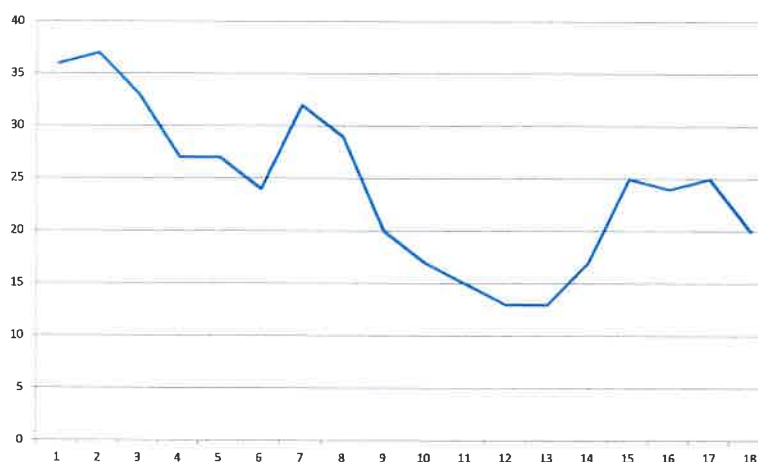
FOP Turnover Rates are Normal

27 voluntary resignations from July 2016 to July 2018

- 10 no longer work in law enforcement
- 3 resigned while under investigation for misconduct
- 3 resigned to follow spouses or move out of state
- 3 resigned to work for the federal government or private security
- 8 (~1 ½ % annually) moved to other law enforcement agencies in Florida.
 - 2 Tampa, 1 Hillsborough, 1 Orange, 1 Brevard, 1 Monroe, 1 Marion, 1 High Springs
 - 5 of those who left for other agencies received \$0 as part of the 2016 Wage Increases designed by the FOP

FOP Turnover is Normal

FOP Overall Turnover - 2001 to 2018



FOP Says . . .

"Amidst this crisis, the Gainesville Police Department continues to struggle to recruit qualified candidates for police officer positions because officer salaries and benefits are not comparable to similar agencies around the state."

Recruitment for Vacancies at GPD is Excellent under Current Conditions

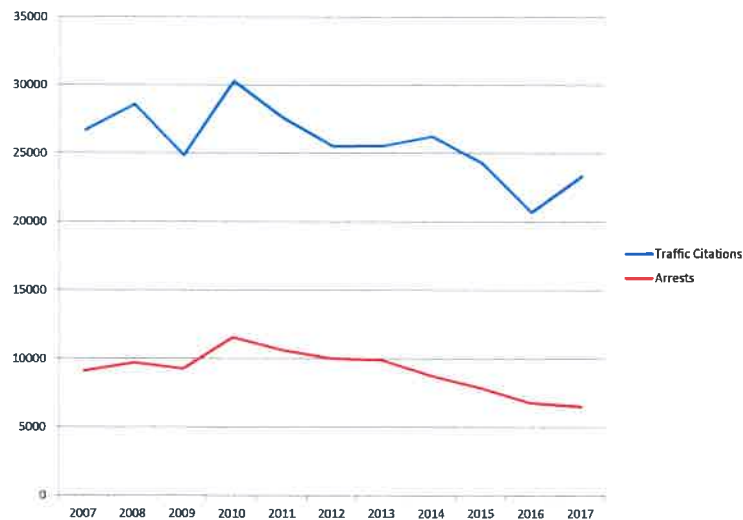
- In 2018:
 - 593 employment applications
 - 363 met minimum qualifications
 - 95 participated in testing
 - 13 new officers started two weeks ago (2 masters, 4 bachelors in criminal justice, 5 associates, former correctional and customs officers)
 - 22 vacancies, 33 candidates in pipeline pending background checks
- In 2017:
 - 546 applications
 - 441 met minimum qualifications
 - 125 participated in testing
 - 17 were hired

FOP Says . . .

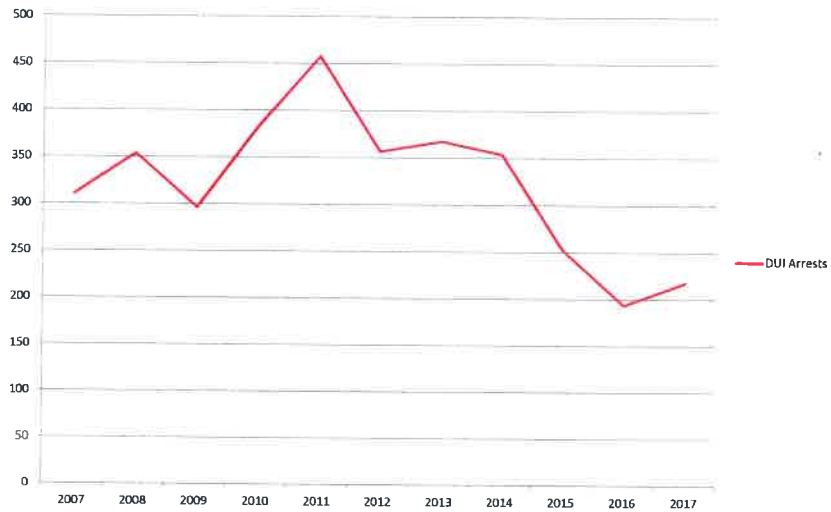
Officer workload has increased

*There has been a sharp increase
in violent crime*

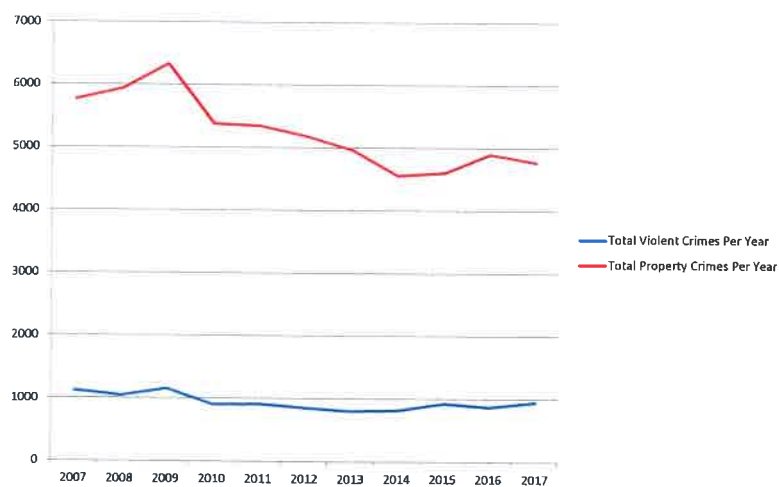
Downward Trend in Citation and Arrest Numbers



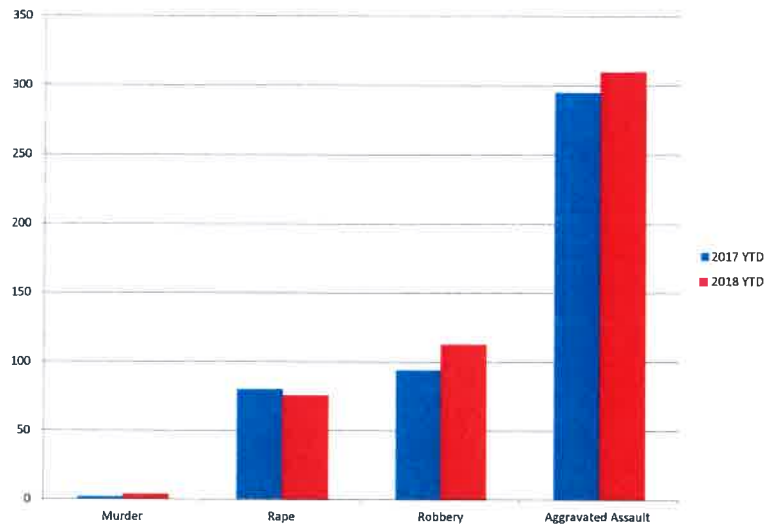
Downward Trend in DUIs



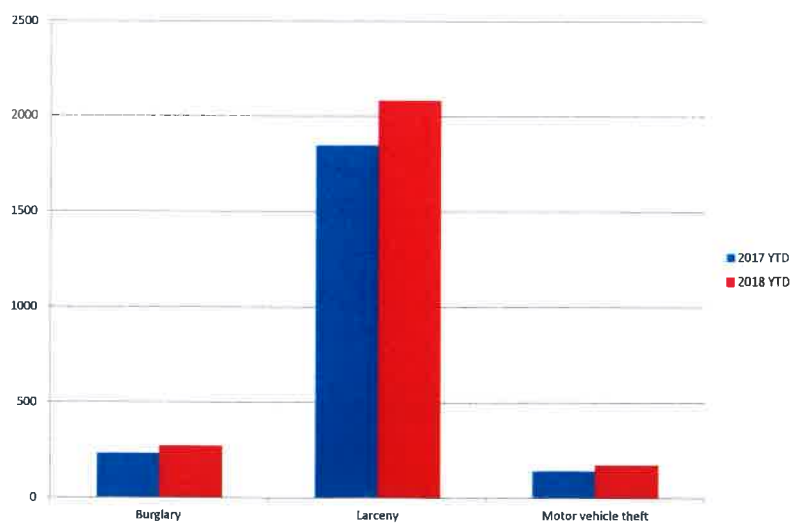
Crime Rates Down Since 2007



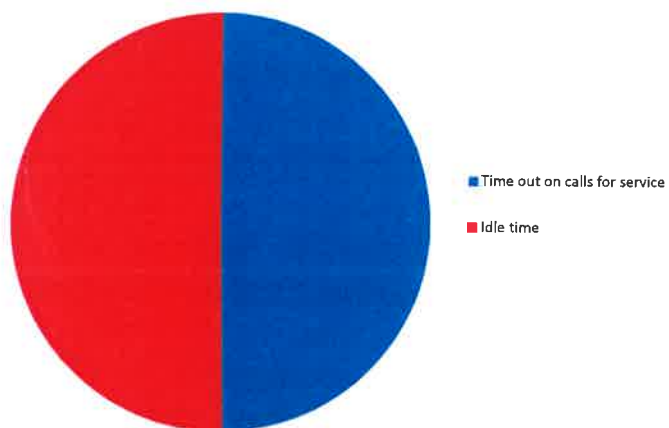
One Point in Time: YTD 2017 vs. YTD 2018



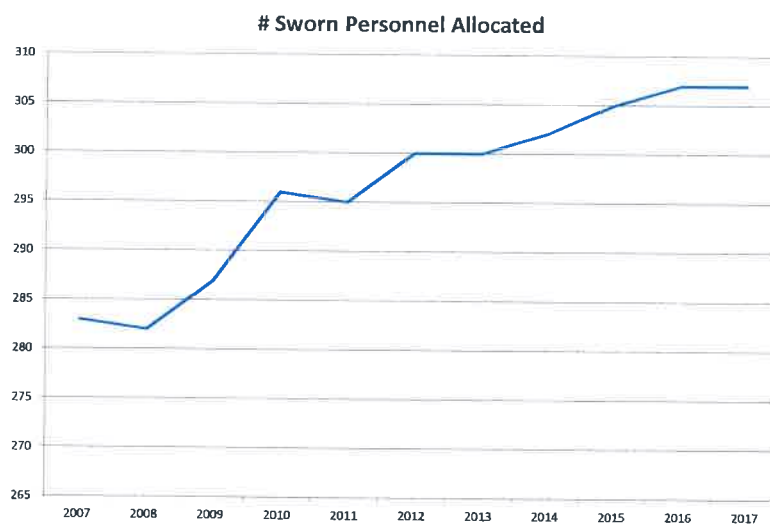
One Point in Time: YTD 2017 vs. YTD 2018



Police workload based on CAD data



10% Increase in Sworn Personnel



Police Workload Consistent (or Less)

- Traffic citations, arrests and DUIs down over last 10 years
- Crime rates down over last 10 years
- Slight increase in crime in narrow point of time – YTD 2017 vs. YTD 2018
- 911 calls up only 2.74% since 2008 despite 20,000 more people living in the City
- CAD data shows officers are at 50% capacity
- 24 sworn positions added since 2007 – 5 more added in budget yesterday
- DOJ report issued last week assessing GPD's violence prevention activities – "GPD is well-positioned", "well-trained", "experienced" – no increase in staffing recommended

Additional Background:

FOP Members' Current Pay and Leave

- Actual base pay for police officers = \$42,000 to \$63,000 per year
- 196 members gross earnings = more than \$50,000 in 2017
- 24 members gross earnings = between \$75,000 and \$100,000 in 2017
- 73 members = additional \$5,000 to \$23,000 in overtime wages in 2017
- 4 weeks paid leave for new officers; 6 weeks paid leave for senior officers
- Take-home vehicle privileges

Additional Background: Actual Pay and Fringe Benefits for Police Officers in 2017

Years of Service	Base Pay	Gross Earnings	Gross Earnings + Fringe Benefits
2 Years	\$41,939.04	\$49,164.95	\$71,432.55
5 Years	\$44,089.76	\$61,774.52	\$83,364.89
10 Years	\$49,466.56	\$62,300.97	\$88,132.19
14 Years	\$52,692.432	\$67,162.83	\$89,999.06
16 Years	\$56,993.87	\$74,211.22	\$98,402.90
20 Years	\$61,295.312	\$66,877.14	\$83,993.35
25 Years	\$58,752.93	\$83,792.59	\$110,369.09

Additional Background: FOP Members' Pay Compared to Others Locally

Actual Annual Salary Average	GPD Wages without Increases	GPD Wages with Management's Proposed Increases	Alachua County	UPD	Santa Fe PD
Police Officer	183 @ \$49,236.24	183 @ \$52,296.24	212 @ \$47,247.00	55 @ \$50,934.00	12 @ \$36,969.00
Corporal	26 @ \$55,417.69	26 @ \$58,917.69	N/A	N/A	N/A
Sergeant	38 @ \$63,950.07	38 @ \$68,230.07	36 @ \$60,044.00	12 @ \$66,634.00	3 @ \$39,282.00

City Management's Goals For Bargaining Beginning in 2016

- Treat all City employees fairly and reasonably
- Deploy GPD resources effectively and efficiently to best serve and protect the public
- Be good stewards of City residents' tax dollars
 - By balancing reasonable employee wages and benefits to other competing demands for City resources needed to serve the public
 - By being prepared for looming financial impacts, commitments and emergencies

Current Issues at Impasse

- Management rights and wages are at the heart of the parties' dispute:
 - Hours of Work (Article 11.2)
 - Premium Pay (Article 14.3, 14.4)
 - Miscellaneous Employee Benefits (Article 19.1, 19.6)
 - Wages (Article 29)

City Management's Position – Hours of Work (Article 11.2/Exhibit I)

- FOP bargaining unit members have worked an 11.25 hour schedule – 4 days on, 4 days off – since 2014
- Since 2014, sick leave and overtime rates are up
- Schedule is unworkable
 - Assumes same workload or calls for service every day of the week when workload changes from day to day
 - Results in periods of understaffing and overstaffing
 - City needs the ability to have more officers on duty at peak times of the week when citizens need them most
- Long shifts are not productive or healthy

City Management's Position – Hours of Work (Article 11.2/Exhibit 1)

- Changes basic workweek for patrol from 11.25 hour shifts to 8, 10, or 12 hour shifts as designated by the Chief of Police to meet the Department's operational needs. We believe most shifts would be 10 hours
- Once shift in place, it will stay in place for 6 months and bargaining unit members will receive at least 4 weeks' advance notice of a shift change
- No bargaining unit member will be required to work all weekends
- Changes the 28-day work period to a 14-day work period
- Eliminates shift pick by time in rank and seniority

FOP's Position – Hours of Work (Article 11.2/Exhibit 1)

- 4 on, 4 off, 11.25 hour shift
- Strikes rights of management establish, change, or cancel shifts in order to meet the needs of the department and serve the community
- Strikes right of management to change normal work schedule of officers to respond to special events or emergencies

City Management's Position – Premium Pay (Article 14/Exhibit II)

- Calculate overtime pay based on work performed in excess of 80 hours in a 14-day work period instead of 160 hours in a 28-day work period
- Eliminate paid leave (except for Holidays) as hours of work in the computation of overtime:
 - Overtime should be awarded for working more than one's regular work schedule
 - Public should not pay overtime for vacation time

**FOP's Position –
Premium Pay (Article 14/Exhibit II)**

- More overtime for more vacation
- Double time for overtime assignments with less than one week notice
- Overtime for administrative meetings
- 10% out of class pay for any time working out of class

**City Management's Position –
Miscellaneous Benefits (Article
19/Exhibit III)**

- Reinstitute dry cleaning, clothing, and leather allowances effective upon ratification or resolution of impasse
- Change the leave bank to conform with state law and allow for leave bank usage on an intermittent basis

City Management's Position – Wages (Article 29/Exhibit IV)

- Tradition:
 - Wage increases budgeted during the City's budgeting process
 - Approved by the City Commission
 - Then the manner in which budgeted increases will be distributed is negotiated with the City's unions
- Past practice is for wage increases to be awarded to bargaining unit members on a percentage basis for the term of the contract (no longer than 3 years)
- City management's wage position is consistent with this past practice and its overall goals

City Management's Position – Wages (Article 29/Exhibit IV)

Lump sum payment of \$800 to all FOP members plus:

Calendar Year	Rating Period	Eligibility	Job Classification	Increase to Annual Base Rate*	Effective Date of Increase
2017	Oct. 1, 2015 – Sept. 30, 2016	Overall performance score of 3.0 or higher	Officer	\$0	N/A
			Corporal	\$0	
			Sergeant	\$0	
2018	Oct. 1, 2016 – Sept. 30, 2017		Officer	\$2,020	Upon ratification or resolution of impasse
			Corporal	\$2,310	
			Sergeant	\$2,825	
2019	Oct. 1, 2017 – Sept. 30, 2018		Officer	\$1,040	January 14, 2019
			Corporal	\$1,190	
			Sergeant	\$1,455	

Cost to the City: \$1.2 million

FOP's Wage Position

- Step plan = slotting + guaranteed wage increases of specific amounts year after year
- **Costs \$2 million more** than the City's wage proposal and what is budgeted over the term of the contract
- Plus additional recurring costs – step plan locks in wage increases after contract expires unless the step plan is bargained out of a successor agreement
- Wage increases occur no matter the City's financial position or other funding priorities and without regard to any changes to the nature of the work or market

Second Special Magistrate Sides with FOP

- Opposite of first special magistrate on same issue – step plan – decided just 2 years previously
- No rationale
 - No finding that GPD's pay was not competitive with other agencies
 - No finding that attrition was high
 - No finding that workload has increased
- Not binding
- City Commission's duty to do what it deems to be in the public interest

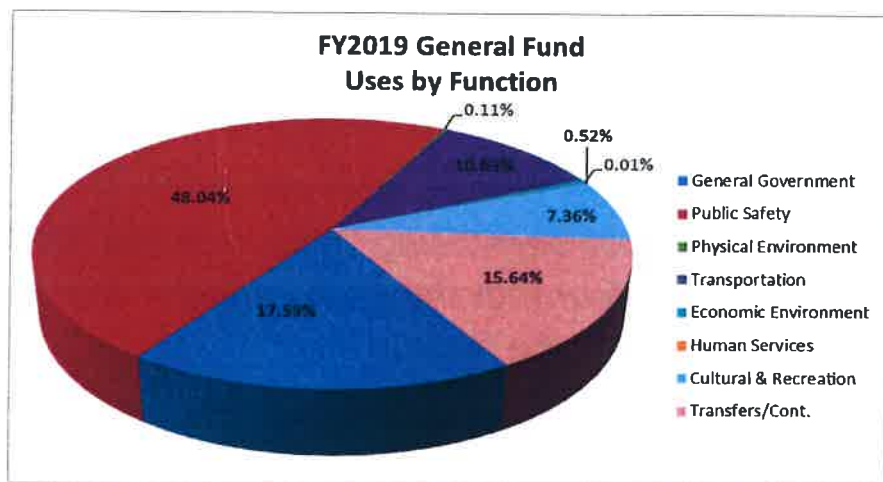
City Management's View of FOP's Wage Position

- Monumental change in pay tradition is not necessary or prudent
- No retention or recruitment issues at GPD
- Workload is consistent
- GPD pay is competitive
- Imprudent to raid the City reserve to pay recurring salary increases
- Other funding priorities and financial uncertainties facing the City

Funds Not Available to Give \$2 Million More than the \$1.2 Million Budgeted

- \$17.8 million in reserves at end of FY17 has been allocated except for \$400,000
- Most allocated to reserves (\$12 million) in case of emergency = 1 month of expenses for the City

Funds Not Available to Give \$2 Million More than the \$1.2 Million Budgeted



FOP Seeks Costly, Permanent Wage Increases in the Form of a Step Plan Despite Financial Uncertainties Facing the City

- Independent Utility Board Referendum = \$1 million/year
- Additional Homestead Exemption Referendum = \$1 million/year
- Facilities = \$2 million in deferred roof replacements and \$3 million in deferred repairs
- Total Rewards Study Implementation = last study was \$2 million
- Living Wage Implementation = \$1.4 million
- Pension Funding Pressure
 - 1% increase to City Contribution = \$300,000 for police/fire
 - 1% increase to City Contribution = \$2 million for general plan
- New Fire Services Agreement with County = \$750,000
- Emergencies = Irma cost \$6 million

FOP Says . . .

“Lack of support from City management”

“The officers of the Gainesville Police Department have been doing ‘more with less’ for years and we fear that the breaking point is on the horizon”

Significant Resources Allocated to Police Since Recession

- GPD’s budget for 2017 = \$38 million = 1/3 of the City’s budget
- \$1.2 million in wage increases presently on table
- \$1.5 million in wage increases in 2016
- 3 years of 7% increases during the recession
- \$16.5 million new police headquarters and gym
- Body cameras and tasers = \$600,000
- 265 police vehicles - up 30% since 2008
- 24 additional sworn positions since 2007 – 5 more added in yesterday’s budget (up 29)

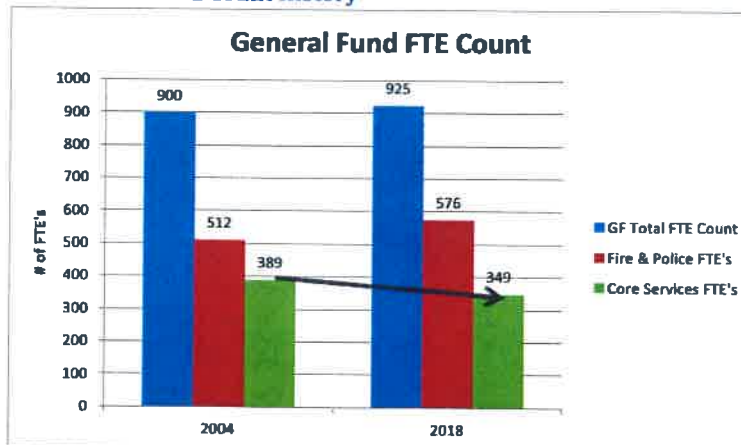
Significant Resources Allocated to Police Despite Growth in Other City Services

Operating Statistics 2008-2018

Description	2008	2018	Difference	% Change
Fire Apparatus	13	21	8	61.54%
Fire Stations	7	9	2	28.57%
Traffic Signals	212	248	36	16.98%
Center Lane Miles	371	408	37	9.97%
Parks	86	90	4	4.65%
Park Acres	2,395	3,461	1,066	44.51%
Bike & Hiking Trails miles	31	52	21	67.74%
Police Vehicles	201	265	64	31.84%
Number of Buses	110	131	21	19.09%
EMS Calls (fire)	11,157	15,194	4,037	36.18%
911 Calls (Police)	125,854	129,297	3,443	2.74%

Growth in City's Other Services using 40 Less Positions while Public Safety Positions Increase

General Fund FTE Count History



\$14 million = Additional Impact on Budget if City Adopts Unions' Positions

Bargaining Unit	Projected Cost of <u>Union</u> Proposal or Tentative Agreement With Benefits			Accumulated Cost of Proposal with Benefits	Cost Above a 2% Annual Increase
	FY 19	FY 20	FY 21		
Amalgamated Transit Union (ATU)	\$575,000	\$75,000	\$75,000	\$1,725,000	\$1,725,000 - \$531,000 \$1,194,000
Communications Workers of America (CWA) – Both Units	\$3,173,000	\$3,173,000	\$3,173,000	\$9,519,000	\$9,519,000 - \$3,462,000 \$6,057,000
IAFF – General Unit	\$737,000+ \$304,000	\$763,000+ \$304,000	\$788,000+ \$304,000	\$5,437,000	\$5,437,000 - \$679,000 \$4,758,000
Fraternal Order of Police (FOP)	Contract proposal:	FY17-FY19	=	\$3,157,800	\$3,157,800 - \$1,194,700 \$1,963,100
				Total:	\$13,972,100

Recall FOP Wage Increases During the Great Recession?

**TRANSITIONAL WAGE INCREASE MATRIX
2008 – 2010**

EXHIBIT I

	January 2008	January 2009	January 2010
Police Officers			
0 to 3 Months of Service	0%	0%	0%
3 Months to 4 Years (47 months) of Service	3.5%	3.5%	4%
4 Years (48 months) – 8 Years (95 months) of Service	6%	6%	6%
8+ Years (96 months +) of Service	7%	7%	7%
Note: All calculations will be based upon continuous service in the rank of Police Officer with GPD as of the beginning date of the first full pay period in January of the appropriate year.			
	January 2008	January 2009	January 2010
Police Corporal	5%	5%	5%
Police Sergeant	7%	6.5%	6.5%

Recall FOP Wage Increases During the Great Recession?



"President of the Fraternal Order of Police Jeff McAdams said that his union was not 'interested in bargaining any wage concessions.'"

Unions asked to help city on raise issue

By Megan Rutland/Staff writer
Tue 8:32PM EDT 9/4/10

Representatives from three of the city's labor unions spoke and expressed varying degrees of willingness to open contract negotiations.

In light of projections of a \$3 million budget deficit, Gainesville city commissioners voted Thursday to open contract negotiations with all six city labor unions to consider reductions in pay raises scheduled for 2010. However, the response of three unions may determine whether such negotiations are possible. Representatives from three of the city's labor unions spoke and expressed varying degrees of willingness to open contract negotiations. The other three unions have contracts that end in 2009 and must be renegotiated. "It's somewhat with a heavy heart that I ask you to do this," said City Manager Russ Blackburn. "As you know over

City Management's Positions are in the Public Interest

- Fair, reasonable and competitive
- Promote efficient and effective use of City resources to best serve and protect the public
- Promote sound financial stewardship
- Changes to tradition are unnecessary
- City management offering \$1.2 million – meaningful wage increase in line with budget and last contract

City Management's Positions are in the Public Interest

The City Commission should resolve all disputed impasse issues as provided in City management's exhibits:

- Hours of Work (Exhibit 1, Article 11.2)
- Premium Pay (Exhibit 2, Article 14.3, 14.4)
- Miscellaneous Employee Benefits (Exhibit 3, Article 19.1, 19.6)
- Wages (Exhibit 4, Article 29)