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The Platte Institute

# PLATTE CHAT

## Layoffs, CIR Reform Needed in Solving Omaha's Police Contract Conundrum

By Berk Brown  
Platte Institute

As the largest city in Nebraska, Omaha has an opportunity to demonstrate to other municipalities how to negotiate with unions while protecting taxpayers from financial ruin.

Richard O'Gara, the City of Omaha's human resources director said recently that "[t]hese are uncommon times. You've got to do uncommon things," [1] to get a new union agreement in place with the city's police department that doesn't further jeopardize the city's economic future. He couldn't be more right.

### The Problem

When it comes to how much police officers get paid in Nebraska, the only neighboring state that pays its officers more is Colorado. Nebraska spends an additional \$3,000 per officer as compared to more than half of its neighboring states: [2]

Colorado	\$63,896
Nebraska	\$52,704
Iowa	\$52,062

strongly believes in the importance of citizens participating in the public dialogue on issues important to Nebraska. Writing a letter to the editor is an outstanding way to partake in the discussion and have your voice heard by thousands of people. To make the process easier, the Platte Institute has assembled a list of links which allow you to submit a letter to the editor to nearly all Nebraska newspapers. Simply [CLICK HERE](#) for a listing of the newspapers and follow the appropriate link to submit your letter.

### Contact Us

If you would like to contact someone at the Platte Institute, you are always welcome to give us a call, drop us an email or stop by the office. Our telephone number is 402.452.3737. We are located at 10050 Regency Circle – Suite 120 – in Omaha. Below is a list of staff email address:

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Wyoming	\$50,324
Kansas	\$49,469
Missouri	\$47,308
South Dakota	\$45,592

\*Source - Tax Foundation

In Omaha, the police average annual wages were more than \$11,000 higher than the mean annual wage in Nebraska.<sup>[3]</sup> When it comes to other police departments, the following numbers show just how well Omaha compensates its police officers. In some cases, Omaha police officers make \$8,000-10,000 more annually than their colleagues in Detroit and Dallas.

#### Compensation in Relation to 2006 Omaha Police Average Wages<sup>[4]</sup>

Los Angeles-Riverside-Orange County	+\$5,800
Chicago-Gary-Kenosha	+\$3,345
Omaha	-----
Boston-Worcester-Lawrence	-\$1,440
Philadelphia-Wilmington-Atlantic City	-\$2,279
Washington D.C.-Baltimore	-\$3,298
Houston-Galveston	-\$6,927
Detroit-Ann Arbor	-\$8,446
Dallas-Fort Worth	-\$10,132

Looking at the same comparisons after adjusting for cost of living, what Omaha pays to its police officers is even more staggering - easily ranking as the best income for a police officer in the following metropolitan areas:<sup>[5]</sup>

Omaha	-----
Chicago-Gary-Kenosha	-\$4,187
Houston-Galveston	-\$6,773
Dallas-Fort Worth	-\$11,490
Los Angeles-Riverside-Orange County	- 15,055
Philadelphia-Wilmington-Atlantic City	-\$15,934
Boston-Worcester-Lawrence	-\$19,133
Washington D.C.-Baltimore	-\$23,973

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\*Cost of living adjustments not available for  
Detroit-Ann Arbor

In addition to the pay, Omaha police will receive 708 vacation days over a 35-year term of employment while the average worker in Nebraska will receive 415 over the course of the same 35-year term of employment.<sup>[6]</sup> Also, Omaha police receive 13 paid holidays a year compared to the 6 ½ received by the average Nebraskan and the 11 received by the average United States government worker.

As far as pension is concerned, the average Omaha police officer receives \$12,871 in defined benefit retirement plan contributions, whereas the national average for state and local government workers is \$5,963 and the national average for private-sector employees is \$1,940.<sup>[7]</sup>

### **Solutions**

Omaha needs to reduce the size of its police force through layoffs.

Tulsa, Oklahoma, is an example of how layoffs in the city's police force worked well. New Tulsa mayor, Dewey Bartlett Jr., asked the police in his city to pay a larger share of their pension, to abolish several senior positions through attrition and to halt promotions in order to help the city through difficult economic times. When the police union rejected his offer, Bartlett sent out layoff notices within days.<sup>[8]</sup> For the future, Bartlett has indicated that he will contract with the nonunionized county sheriff's department for extra help if needed - at a far lower cost than hiring more full-time employees - and push more of the existing force into beat patrols by hiring lower-paid civilians to handle chores like maintaining records.<sup>[9]</sup>

Omaha's sworn police force grew by 2.5 percent from 2004 to 2009. Meanwhile, the total number of major crimes<sup>[10]</sup> in Omaha from 2005 (2,327) to 2009 (2,363)<sup>[11]</sup> has not significantly changed. Therefore, an immediate cut of 2.5 percent of the force would still allow Omaha to function without concern for greater crime. Further cuts should then be implemented as needed based on the example set by Tulsa, such as contracting for additional help when necessary, instead of hiring additional full-time employees as well as pushing more of the existing force into beat patrols by hiring lower-paid

civilians to handle chores like maintaining records.

Secondly, taxpayers and municipalities need to start demanding that the Legislature abolish the Commission of Industrial Relations (CIR) - or at the very least make significant changes to its structure to better protect citizens and their municipalities. Omaha Mayor Jim Suttle must take a more active role - as well as mayors of other cities - in the legislature to reform or abolish the CIR. In Nebraska, the system of negotiating with unions is set-up such that municipalities have very little, if any, leverage in the talks. This is because the CIR is the ruling body when unions and municipalities are unable to reach labor agreements. Among the CIR's many faults is the fact it does not take into account a municipality's ability to pay the wages the CIR sets. As such, unions are typically able to use the potential of taking negotiations to the CIR as leverage - because Nebraska municipalities have learned that CIR outcomes are potentially worse than conceding in talks with the unions.

Therefore, the Omaha police union has little incentive to come to the bargaining table willing to make concessions - which has already been demonstrated this year.<sup>[12]</sup> The CIR disadvantage is also likely why, after the Omaha City Council turned down Mayor Suttle's proposed police contract, Suttle said, "I have said repeatedly that the cost of voting 'no' on this agreement is much greater and carries more risk than the cost and risk associated with voting 'yes.'"<sup>[13]</sup> Or why police union president Aaron Hanson said, "[i]t's going to end up costing the taxpayers millions of dollars,"<sup>[14]</sup> - never reassuring words to hear from a union president. But, perhaps Suttle's chief of staff, Steve Oltmans, spoke the bluntest when he said, "[h]istory would tell you that taxpayers don't win in the CIR."<sup>[15]</sup>

Taking steps to promote the elimination or modification of the CIR and downsizing the size of the police force is where Omaha needs to start. City leadership can repeat mistakes of the past and bury citizens deeper into a hole or, chart a new direction which will be neither easy nor popular with the union, but necessary to preserve hope for the economic future of Omaha.

[1] <http://www.omaha.com/article/20100420/NEWS01/704209859>

[2] <http://www.taxfoundation.org/research/show/25177.html>

[3] 2006 Analysis of Compensation and Benefits of Omaha Police and Fire Department Employees as Prepared for the Omaha City Council

[4] Ibid

[5] Ibid

[6] Ibid

[7] Ibid

[8] <http://online.wsj.com/article/SB10001424052748704508904575192351090107196.html>

[9] Ibid

[10] Major crimes include: homicide, rape, robbery and assault

[11] Official City of Omaha police statistics

[12] <http://www.omaha.com/article/20100323/NEWS01/100329870>

[13] <http://www.omaha.com/article/20100428/NEWS01/704289866>

[14] Ibid

[15] Ibid

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