

IN THE MATTER OF FACT-FINDING PROCEEDING STATE EMPLOYMENT
RELATIONS BOARD

BETWEEN

2001 JUL 12 A 10: 29

CITY OF MARTINS FERRY

(Case No: 00-MED-12-1379

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and

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AFSCME, OHIO COUNCIL 8,
LOCAL UNION 1260

(Hearing Date: June 11, 2001

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(Findings and Recommendations:

) July 11, 2001

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Representing the City:

Errol C. Sambuco,
Consultant

Representing the Union:

Mark T. Carlson,
Staff Representative

William J. Miller, Jr.
Fact Finder

SUBMISSION

This matter concerns Fact Finding proceedings between the City of Martins Ferry (hereafter referred to as the "City") and AFSCME, Ohio Council 8, Local 1260 (hereafter referred to as the "Union"). The State Employment Relations Board (SERB) duly appointed William J. Miller, Jr. as Fact Finder in this matter. The parties agreed to extend the submission of this report until July 11, 2001.

The Fact Finding proceedings were conducted pursuant to the Ohio Collective Bargaining Law, and the rules and regulations of the State Employment Relations Board, as amended. Consideration was given to criteria listed in Rule 4117-9-05 (J) of the State Employment Relations Board. The City and Union previously engaged in the collective bargaining process before the appointment of a Fact Finder. This Fact Finder had several discussions with the parties prior to April 26, 2001 and on April 26, 2001 attempted to mediate the unresolved issues. Mediation was unsuccessful and Fact Finding occurred on June 11, 2001:

UNION POSITION:

It is the position of the Union that for the past several years the City has claimed a financial hardship. This has been clearly proven by the fact that the City affected a layoff of Street Department employees which lasted for an extensive period of time. The Union points out that during a prior arbitration hearing in which the City prevailed that it claimed an inability to pay, and that the dire position that it was in from a financial standpoint necessitated the layoff of employees. The Union recognizes the financial position of the City and believes that any proposed increase in wages by the City during the first year of the Agreement would be financially burdensome and inappropriate.

It is also contended by the Union that the City is presently contemplating the passage of a tax which would add relief to its existing financial condition. The Union believes that before the City proposes increases and other changes that it first improve its financial position through the passage of an appropriate tax and then it will be in a position to provide fair increases from the Union's prospective. The City has not received any further funding from the time it declared it had financial issues and the Union believes the City's proposal to increase wages while making a number of other substantive changes to the Agreement would be irresponsible in this circumstance. The Union requests that there be no wage increase during the first year of the Agreement, and that a 4% increase be provided during the second year of the Agreement, and a 6% increase be provided during the third year of the Agreement. The Union also contends that there should be no changes in other Agreement provisions and that with the passage of the appropriate tax that the City will be in a position from a financial standpoint to implement the increases that are being requested by the Union.

CITY POSITION:

The City proposes a package offer to the Union for the period May 1, 2001 through April 30, 2004. The City proposes that such package be provided to the Union in a manner which would require a reevaluation of the economic conditions for the purpose of determining overall impact to the City. The City proposes certain agreement language changes and proposed buybacks of benefit days and clothing allowance. The City also requests that the Cemetery Department be absorbed into the Service Department. Along with these changes, the City submits that there should be certain job classification changes including combinations for the purpose of arriving at a net force decrease. It is also noted by the City that there should be employee contributions to insurance premiums in the amount of 15% so as to offset any associated wage increases. The City proposes wage increases to the employee in the amount of 33 cents during the first year of the Agreement, 33 cents during the second year of the Agreement and 34 cents during the third year of the Agreement. The City also notes that it proposes a wage increase of 25 cents for the employee contribution to insurance. It is the position of the City that the wage increase impact on average hourly wages would result in a net increase of \$1.55 over the three year period of the Agreement. The City believes that its proposal is fair and appropriate under the existing circumstances.

The City would also note that it needs to establish appropriate dialog with the Union for the purpose of arriving at necessary changes to the way in which work is performed within the City. The City believes that such appropriate communication would result in meaningful change to the Agreement and such change would result in a fair situation for both the City and the employees in the Bargaining Unit.

FINDINGS AND RECOMMENDATIONS:

Upon carefully considering the extensive documentation and arguments submitted by the parties, several conclusions become readily apparent. In the first instance, it is clear that the City does not have an unlimited amount of funds to be used for employees in the Bargaining Unit. This fact becomes evident based upon the past behavior of the City in reducing the Bargaining Unit force and taking other measures which appear related to cost reduction. The City's proposal in and of itself clearly establishes that it needs to find ways to alter its existing financial status. When these facts are considered in conjunction with the fact that the City is presently contemplating the passage of an income tax, it becomes apparent that the City does have financial concerns. The Union understands this circumstance and has clearly annunciated that the City would have a difficult time paying for wage increases that the City has proposed. As indicated, the financial situation of the City needs to be stabilized.

It is also evident that while there are certain cost pressures being imposed on the City that there has been no meaningful communication between the City and its Bargaining Unit employees for the purpose of finding ways to make improvements which will enhance the condition of the City and also provide a fair situation for employees in the Bargaining Unit. Finally, it is also evident that both the City and the Union are concerned about the well being of the employees in the Bargaining Unit and a concern exists as how to provide for a fair Contractual Agreement between the City and the Union.

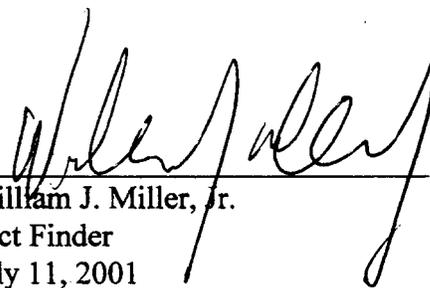
In light of the foregoing conclusions, I would suggest the following recommendations:

1. There should be no wage increase for the first year of the Agreement because of the inability to pay concerns which have been raised in this circumstance.
2. I would recommend the establishment of a Labor Management Committee which would meet on a regular basis for the purpose of determining where appropriate changes could be made for the purpose of improving the efficiency and costs of the City while protecting the integrity of the Bargaining Unit and enhancing the long term security of employees within the Bargaining Unit. During this process the parties could effectively find ways to reduce costs while minimizing or possibly eliminating any adverse impact to employees in the Bargaining Unit.
3. I would propose the establishment of a health care cost containment committee. This committee, composed of members of the Bargaining Unit and the City should meet for the purpose of determining ways to reduce health care costs while at the same time preserving health benefits for members of the Bargaining Unit. This committee should be empowered to review all effective insurance Agreements and meet as necessary with insurance carriers and providers of health care for the purpose of providing the best health care package possible for employees and their dependents while minimizing the cost to the City.
4. I would propose a 4% increase in wages for employees during the second year of the Agreement.
5. I would propose a reopener for wages for the third and final year of the Agreement. I am making this proposal because it would give the parties appropriate time during the first two years of the Agreement to look at ways to improve work productivity and contain health care cost as much as possible. Furthermore, during such time, the City can appropriately make the determination related to its needs regarding an income tax. The parties would then be in a position to determine a fair wage increase for the employees in the Bargaining Unit for the third year of the Agreement. In making such recommendation, the

parties could also consider the fact that the Union did not receive an increase during the first year of the Agreement and did participate in an effective dialog with the City for the purpose of making all appropriate changes, for the purpose of reducing cost, and providing an efficient operation while preserving the long term security of all employees within the Bargaining Unit.

CONCLUSION

In conclusion, this Fact-Finder submits his findings and recommendations as set forth herein.



William J. Miller, Jr.
Fact Finder
July 11, 2001