

2010 JUL 19 P 3: 27

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

In the Matter of Fact-Finding Between:

Office & Professional Employees
International Union, Local 17

-And-

Elyria Public Library

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09-MED-12-1478

~~09-MED-09-1002~~

Fact-Finder:
John T. Meredith

**REPORT AND RECOMMENDATIONS
ISSUED JULY 15, 2010**

APPEARANCES

Present for the Union:

Todd Smith, Esq., Attorney
Shelly Richmond, Business Representative
Donna Ramsey, Business Representative
Julie Smith, Circulation Department
Susan Schillig, Reference Librarian
Linda Grogan, Circulation Department

Present for the Employer:

Steve Bond, Esq., Attorney
Janet Stoffer, Director
Jennifer Gallant, Administrator - WR
Ralph McGinnis, Administrator - Central
Carol Campana, Fiscal Officer

INTRODUCTION

The parties to this Fact-Finding proceeding are the Office & Professional Employees International Union, Local 17, and the Elyria Public Library. The bargaining unit consists of all office clerical employees employed by the Library, as specifically listed in Section 2.2 of the April 1, 2008 – March 31, 2011 Contract between the parties (hereinafter “Agreement”), but excluding “confidential, management level, seasonal and

casual employees, and supervisors as defined in Section 4117.01 of the Ohio Revised Code.” The parties agree that the following bargaining unit positions are currently existing and filled: Page; Head Page; Library Tech I, II and III; Maintenance I and II; Assistant Managers (non-professional); Assistant Managers (professional); Library Associate; Librarian; Public Relations Assistant; Public Relations Specialist; Computer Equipment Tech, and Computer Network Tech. There are approximately 44 employees in the bargaining unit at this time.

This Fact-Finding Report is limited to recommending a wage settlement for the period April 1, 2010 – March 31, 2011 pursuant to Section 29.2 of the Agreement, wherein the parties agreed “to reopen negotiations on wages only relative to the third year of the contract (April 1, 2010 – March 31, 2011).” The parties initiated collective bargaining pursuant to Section 29.2 but were unable to reach agreement. The State Employment Relations Board, by letter dated June 1, 2010, appointed the undersigned, John T. Meredith, to serve as Fact-Finder.

A hearing was held on July 7, 2010 to take evidence on the wage issue. Prior to the hearing, the parties timely submitted their Position Statements to the Fact-Finder. The hearing was conducted in accordance with Ohio Collective Bargaining Law and applicable SERB Rules and Regulations. The Fact-Finder’s recommendation and rationale are fully discussed in the Unresolved Issue section of this Report.

In making his recommendation, the Fact-Finder has given consideration to the following criteria prescribed by Ohio Collective Bargaining Law and listed in SERB Rule 4117-09-05:

- (1) Past collective bargaining agreements, if any, between the parties;

- (2) Comparison of the unresolved issues relative to the employees in the bargaining unit with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
- (3) The interest and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service.
- (4) The lawful authority of the public employer;
- (5) Any stipulations of the parties;
- (6) Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

BACKGROUND

1. Financial Information

Like most public entities in Ohio, the Elyria Library's finances have been impacted by the severe economic slump which began in late 2008. However, due to a combination of cutbacks and voter support, the Elyria Library has balanced its budget and expects to be able to maintain a balanced budget for several years.

The Elyria Library has two principal financing sources – the State of Ohio and local property tax revenue. State funding for libraries from 2005 to 2008 was set at 5.7% of personal income tax revenue. In 2008, it was reset at 2.22% of all general fund revenue, which was intended to yield an equivalent dollar amount. Local funding for 2005-2009 was provided by a 1 mil library levy in the City of Elyria. This levy was set to expire after 2009, and the Library decided to try to replace it with a 1.9 mil levy. It was believed that this would generate enough additional funding to maintain then-current services for 5 years even with the usual inflation. Because of the need to pass a replacement levy for 2010, the parties included a March 2010 wage re-opener when they negotiated their 2008-2011 Agreement.

In 2009, the Elyria Library had a “good news/bad news” year. The good news was the passage of the 1.9 mil replacement levy, to be effective in 2010. In addition, voters in Lagrange Township passed a small levy dedicated to funding needs (principally capital improvements) in the small Lagrange branch. The bad news, of course, was the impact of the national and statewide economic crisis, which resulted in dramatic cutbacks in state library funding. As the state’s General Fund revenues precipitously declined, the dollars available to libraries (computed as a percentage of the general fund) declined proportionately. Moreover, for State FY 2010 (July 1, 2009 – June 30, 2010), the library funding formula was reduced from 2.22% to 1.7% of general fund revenues. The impact on the Elyria Library was significant: It lost \$552,799 (approximately 20%) of its State funding in 2009, and as a result both laid off employees and reduced services in September 2009. An additional \$145,000 loss of state funding is projected for 2010.

Fortunately, in 2010, the Elyria Library will begin receiving proceeds from the new 1.9 mil levy. Unfortunately, the loss of state funding will roughly offset the 2010 gain in local funding. This will leave the Elyria Library with approximately the same income that it had in 2008, but without the needed additional income which it expected to receive from the additional .9 mils. For 2010, its appropriated expenditures would exceed 2009 expenditures by 5.2%, but still fall 8.35% short of pre-cutback 2008 expenditures. For the period 2011 – 2014, assuming no increase in current income levels, and further assuming a 2.885% annual increase in total expenditures, the Elyria Library now projects an increasing annual operating deficit which, by the end of 2014, will reduce its unencumbered balance from \$1,140,447 to \$17,781. (See Employer Exhibits F, N, O and P, and Union Exhibit 5.)

2. Comparability Data

Neither party presented evidence regarding dollar wages paid by libraries in neighboring or other comparable communities. However, the employer did present data about wage changes (increases, freezes, and decreases) in neighboring and other libraries. This comparability evidence included both data on wage increase patterns during the past several years and on wage patterns in the current year.

Regarding past years, the data shows that the Library's professional employees received lower percentage increases in 2005, 2006 and 2007 than the average percentage increases reported for Ohio public employee settlements in those years. However, in 2008 and 2009, the Elyria Library's negotiated increases were higher than the Ohio average for all public employee settlements. Overall, for this five-year period, the cumulative percentage increase for Elyria Library employees slightly exceeded the state average.

Of course, there is no state average data available for the current year, which is still a work in progress. However, the Library did present specific data for area libraries which shows that other libraries have wage freezes in effect for 2010. In Lorain County, these include Amherst, Avon Lake, North Ridgeville, Vermillion and Wellington. (A February article noted a wage freeze at Lorain County Public Library, but at this point Lorain County Library appears to be engaged in negotiations. (Compare Employer Exhibits H & Q.) Further, like Elyria Library, these other libraries implemented cutbacks in 2009 and 2010 to balance budgets after the cutbacks in State financing.

UNRESOLVED ISSUE – RECOMMENDATION

The sole issue is the wage to be paid during the third year of the 2008-2011 Agreement, April 1, 2010 – March 31, 2011.

The Employer proposes to freeze wages at the current rate. It argues that comparability data (summarized above) conclusively supports a wage freeze. Increases in local funding will be offset by the dramatic reduction in state funding, with the result that the Elyria Library may have an operating deficit during the next several years even without a wage increase. Finally, Ohio in general and Lorain County in particular are still suffering from high unemployment in a recessionary economy. Under these circumstances, the Trustees must be mindful of how any wage increase would be perceived by taxpayers, many of whom are making financial sacrifices themselves.

The Union is proposing a one-time \$125 lump sum payment to each bargaining unit member. It states that the payment is supported by equitable considerations, as the union believes that, as a result of staff cutbacks, each remaining bargaining unit member is required to work harder. The proposed \$125/person lump sum payment would cost only \$5,500, a tiny portion of the Elyria Library's more than \$3.5 million budget, and would not adversely impact library services.

In this case, unlike many others, both parties have made reasonable proposals which can be reconciled with the statutory criteria for fact-finding recommendations, (see Introduction, above). Both proposals recognize that, through no fault of its own, the Library is subject to financial constraints imposed by the State of Ohio's budget. It appears that the Elyria Library has attempted to equitably distribute hardships resulting

from these constraints. Moreover, comparability data does support a wage freeze, as the Employer contends.

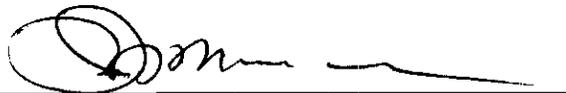
However, a wage freeze supplemented by a small, nonrecurring lump sum payment, is not out of line with comparability data, either. The Elyria Library's compensation ranking relative to other libraries is not likely to change as a result. Moreover, the cost of the modest lump sum payment will not materially impact the Elyria Library's finances or the level of services which it can provide. Finally, the Fact-Finder recognizes that operating below the normal staffing level may impose some burden on remaining employees.

Therefore, the Fact Finder makes the following recommendation for settlement of the Section 29.2 Wage Reopener:

In the third year of this Agreement, April 1, 2010 – March 31, 2011, there will be no wage increase. In lieu of an increase, bargaining unit employees on the active payroll on July 1, 2010, shall be paid a one-time payment of One Hundred Dollars (\$100.00). This payment shall be made on or before October 1, 2010.

SUBMISSION

This Fact-Finding Report is submitted by:



John T. Meredith, Fact-Finder

Shaker Heights, Ohio
July 15, 2010

CERTIFICATE OF SERVICE

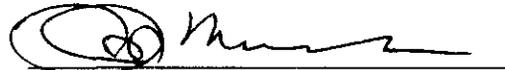
This is to certify that the foregoing Fact-Finding Report was sent to the State Employment Relations Board by Regular U.S. Mail and was served upon the parties listed below by overnight mail this 15th day of July, 2010:

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A handwritten signature in black ink, appearing to read "John T. Meredith", is written over a horizontal line.

John T. Meredith, Fact-Finder