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**MAD
IN THE MATTER OF FACT-FINDING
BETWEEN**

WEATHERSFIELD LOCAL SCHOOL)	CASE NO. 12-MED-07-0659
DISTRICT)	
)	
)	
AND)	<u>FINDINGS</u>
)	AND
)	<u>RECOMMENDATIONS</u>
MINERAL RIDGE EDUCATIONAL)	
ASSOCIATION)	

JAMES M. MANCINI, FACT-FINDER

APPEARANCES:

FOR THE ASSOCIATION

**John P. Creatura, Ohio Federation of Teachers
Tammie McCale, Association President**

FOR THE DISTRICT

**Christopher B. Congeni, Esq.
John N. Childs, Esq.
Damon Dohar, Superintendent
Laurena Rouan, Treasurer**

SUBMISSION

This matter concerns fact-finding proceedings between the Weathersfield Local School District (hereinafter referred to as the District) and the Mineral Ridge Educational Association (hereinafter referred to as the Association). The State Employment Relations Board (SERB) duly appointed the undersigned as fact-finder in this matter. The fact-finding hearing was held on October 22, 2012 in Mineral Ridge, Ohio.

The fact-finding proceedings were conducted pursuant to the Ohio Collective Bargaining Law as well as the rules and regulations of SERB. During the fact-finding proceeding, this fact-finder attempted mediation of the issue at impasse. The sole issue before this arbitrator concerns the Wage Reopener for the 2012-13 school year.

The bargaining unit is comprised of all teachers employed by the Board. There are approximately sixty-five teachers in the bargaining unit at the present time.

This fact-finder in rendering the following findings of fact and recommendations of the issue at impasse has taken into consideration the criteria set forth in Ohio Revised Code Section 4117-14(G)(6)(7). Therefore, the following recommendation on the issue at impasse is hereby submitted.

WAGE REOPENER

The Association proposes for the third year of the parties' Agreement that there be a 4% wage increase. The District's position on the reopener is a 0% increase. It should also be noted that the District will allow the current step increases to remain in effect for the 2012-13 school year. In addition, the District will raise the base salary for supplemental salaries to \$28,798 for FY 2013.

The Association contends that its third year wage reopener proposal is reasonable. A wage comparison of local area districts shows that the Weathersfield School District's starting salary for teachers is the lowest in the region. The top salary is about in the middle of the salary ranges for the area. Under the Association's proposal, the starting salary would be increased to \$29,806 which would still be below that of neighboring Gerard, Lakeview, McDonald and other districts in the area.

The Association further points out that the District had an unreserved fund balance as of June 30, 2012 of approximately 1.7 million dollars. The Association notes that the District has had a history of making very conservative financial forecasts which were well below the actual fund balances which occurred. For that reason, the District's forecast of possible financial shortfalls for the coming years cannot be credited.

The Association claims that the District has the financial ability to fund its proposed 4% salary increase for the 2012-13 school year. The Association estimates that the additional cost for its salary proposal would be about \$123,833. Clearly with the

carryover balance of 1.7 million dollars, the District can afford to fund the Association's proposed salary increase of 4%.

The Board maintains that pressing financial constraints dictates that it not raise the base salary for FY 2013. The District's five year forecast anticipates that expenses will be greater than revenues by about \$278,745 in FY 2013. The forecast is for an even greater gap between expenses and revenue by FY 2017.

The District notes that it has previously been placed in "Fiscal Caution" by the Ohio Department of Education. This occurred in FY 2010. The District then took progressive measures to control spending which included reducing three teaching positions through attrition. It also reduced special education costs by an amount of \$271,000 by expanding the duties of the Superintendent and School Administrators to monitor special education needs. It was only through these and other efforts that the District has been able to maintain its unreserved fund balance and for now remains outside the "Fiscal Caution" category. The District believes that the 0% increase for FY 2013 is needed in order to ensure the long term fiscal health of the Weathersfield Local Schools.

The District also cites the recent passage of a permanent improvement levy which requires it to be sensitive to the fiscal concerns of the community. The passage of the permanent improvement levy has allowed the District to repair and restore the physical plant of the school. As a result, it is imperative that to maintain its standing with the local community, the District has to be careful with its expenditures.

The District also points out that base salaries have consistently risen over the past decade. Following FY 2005, salaries have risen 2% to 3% every year up to the present. Under the present Agreement, the base salaries have increased 2.25% in FY 2011 and 1.5% in FY 2012. The District points out that the parties bargained a new salary schedule to be implemented in the current Agreement. As a result, the top salary for a teacher has been increased to \$67,243 in FY 2013.

The District also cites wage comparables in support of its position. It notes that other districts in the area for the most part negotiated wage freezes in 2011. When districts did grant base salary increases, few were as significant as that which the Weathersfield District provided here which again included a 2.25% increase in FY 2011 and 1.5% in FY 2012.

ANALYSIS - This fact-finder has determined from the evidence presented that a 2% salary increase effective July 16, 2012 would be appropriate. The evidence clearly showed that the District has the ability to fund the cost of the recommended 2% salary increase out of currently available revenue resources. This would also be in line with the increases provided to other teachers in area jurisdictions as well as that given to the bargaining unit during the first two years of the parties' Agreement. For the 2010-11 school year, a 2.25% raise was provided and for the second year of the Agreement there was a 1.5% increase.

First, this fact-finder finds no merit to the District's contention that there should be a 0% base salary increase for the current year. The District's position is mainly based

on its five year forecast adopted in May 2012 which projects that expenses will exceed revenues over the next several fiscal years which will create a significant decline in the unreserved fund balance by FY 2017. However as even the District has stipulated, it had an unreserved fund balance of \$1,710,227 at the end of FY 2012. In other words, it began the current fiscal year with that balance. It should be noted that the fund balance was considerably more than that forecasted at the beginning of the fiscal year. Moreover, the District's Treasurer during her testimony indicated that for fiscal year 2013, the year in question here, the year-end balance will be 1.4 million dollars. While the District's forecast is that revenues will be down slightly from current FY 2012 revenues, expenditures also will be down slightly from the current year. Both the Treasurer and the Superintendent stated that the District has taken steps to reduce expenditures by not replacing three teachers who left the District. It was estimated that the additional cost of raising teacher salaries by 1% would be about \$40,000. Therefore, it is evident that the District has the ability to fund the additional cost of the recommended 2% salary increase for the teachers from currently available revenues.

Moreover, this fact-finder finds that wage comparables submitted by the parties supports this fact-finder's recommendation for a 2% increase. Currently, the starting wage for the Weathersfield District is last among the ten other districts used in the comparison. The top salary in the District ranks about in the middle of the top salaries in these other districts. It should also be noted that about one-third of the bargaining unit

members are at the top step of the salary schedule. If there were to be a wage freeze as suggested by the District, these teachers would not receive any type of increase. It would be more reasonable to provide these teachers with an increase such as that which is being recommended herein of 2%.

The recommended wage increase also would be in line with that which was previously provided to the bargaining unit during the first two years of the current Agreement which again was a 2.5% increase the first year, and 1.5% increase for the second year of the Agreement. The 2% increase would also be comparable to that provided to teachers in neighboring jurisdictions. For example, the Poland district provided its teachers with a 2% increase in July 2012. Likewise, Newton Falls provided its teachers with a 1.5% increase. There were several districts that did not provide for any increase but for the most part, of the ten districts used in the comparison, wage increases were provided to bargaining unit members.

This fact-finder in not recommending a greater increase as proposed by the Association has taken several additional factors into consideration. First, there is the Board's legitimate concern about its finances beyond FY 2014. The Treasurer has forecast a deficit of 1.3 million dollars for FY 2016. It should also be noted that in FY 2010, the District was placed in "Fiscal Caution" by the Ohio Department of Education. While the District has taken measures to improve its unreserved fund balance, this fact-finder believes that a more modest increase than the 4% proposed by the Association

would be warranted at this time. Therefore considering the entire record presented, this fact-finder finds that a 2% increase for teachers would be appropriate for the 2012-13 school year.

RECOMMENDATION

It is the recommendation of this fact-finder that there be a 2% salary increase for the 2012-13 school year as more fully stated below:

SALARY SCHEDULES

The base salary minimum Bachelor Degree, zero (0) years experience, shall be increase by two percent (2%) for the 2012-13 school year.

CONCLUSION

In conclusion, this fact-finder hereby submits the above referred to recommendation on the Wage Reopener issue presented to him for his consideration.

NOVEMBER 15, 2012

JAMES M. MANCINI, FACT-FINDER

JAMES M. MANCINI

ATTORNEY AT LAW - ARBITRATOR

**JEFFERSON CENTRE, SUITE 306
5001 MAYFIELD ROAD
LYNDHURST, OHIO 44124**

216 382-9150 Fax 216 382-9152 ManciniJM@aol.com

November 15, 2012

IN THE MATTER OF FACT-FINDING BETWEEN:

WEATHERSFIELD LOCAL SCHOOL DISTRICT)
AND) CASE NO. 12-MED-07-0659
MINERAL RIDGE EDUCATIONAL)
ASSOCIATION)

FEE STATEMENT:

Hearing (1 day)..... \$ 950.00
Study/Preparation of Report (3 days-Includes review of Position Statements/Exhibits). \$ 2,850.00
Scheduling & Review of Pre-Hearing Statement (1/2 day)..... \$ 475.00
Expenses:
Transportation (116 miles x \$.55/mile)..... \$ 63.80
Meal (1)..... \$ 10.34

TOTAL..... \$ 4,349.14

PAYABLE BY THE DISTRICT (1/2)..... \$ 2,174.57

PAYABLE BY THE ASSOCIATION (1/2)..... \$ 2,174.57

James M. Mancini, Fact-Finder
Federal ID # 84-1661482