

IN THE MATTER OF FACT FINDING

BETWEEN

THE CITY OF ASHLAND, OHIO

AND

AFSCME, OHIO COUNCIL 8 AND LOCAL 2313

SERB CASE # 2012-MED-10-1282

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INTRODUCTION

The parties to this matter are AFSCME Ohio Council 8, Local 2313 (hereinafter "Union") and the City of Ashland, Ohio (hereinafter "Employer" or "City"). The Employer is located in north central Ohio. The bargaining unit is comprised of approximately sixty-four (64) employees who hold numerous positions in the City as identified in Article 4 of the Collective Bargaining Agreement.

General/State/Local Economic Overview: Cautious concern and widespread disquiet appears to be an apt characterization of the state of the current international, national and the local economies. Things appear to be improving, but the improvement is uneven and uncertain due to a variety of factors, both economic and political. An example of uncertainty that is both economic and political in nature is the condition commonly known as the "Sequester." It replaced the "fiscal cliff" that dominated the airwaves in December and early January, causing continued uncertainty. The Sequester has begun in a seemingly quiet way, but with no immediate hope of resolving what will become an increasing budgetary crisis in the not too distant future. Already signs of its effect are being announced that will have a substantial impact in northern Ohio (e.g. Cleveland Airshow being cancelled). The economy in Ohio continues to show signs of steady improvement from a very long and severe national recession that remains subject to the financial health of the United States and other countries, particularly those who are currently facing considerable debt in Europe. Uncertainty underlies the economy, as does gridlock in Washington D.C. Student debt, unemployment, and a lack of newly created jobs that pay a reasonable living wage are of continued concern. One only has to view opportunities available to recent high school and college graduates to find evidence that a "good" job with

“good benefits” remains hard to find, unless you happen to be in one of the few areas of high demand. The housing market continues showing signs of recovery, the auto industry had record sales for March, yet twelve (12) million people remain unemployed. And of course, the recovery, as expected, is uneven. The City of Ashland faces challenges that have resulted in substantial cuts in state funding, elimination of the estate tax, declines in tax revenue, and other economic realities. But it is not alone as other cities in northern Ohio look for ways to continue to meet the service demands of the public in an atmosphere of revenue decline.

The parties initially brought to fact finding several issues: Union: **Article 4** Recognition, **Article 23**, Call Back Pay, **Article 24** Report in Pay, **Article 25**, Overtime Compensation and Equalization, **Article 33** Wages, **Article 39**, Tool Allowance, **Article 40** Uniforms, and **Article 59** Duration. The Employer, who also had proposals on **Articles 25, 33**, brought to fact finding proposed changes in **Article 20**, Vacancies and Job Postings, **Article 27**, Vacations, **Article 27**, Sick Leave, **Article 34** Insurance, **Article 37** Inclement Weather, and **Article 47**, Discipline. Some fourteen (14) open articles in all. However, very shortly after the start of the fact finding proceeding, the fact finder met with the parties and they quickly concluded that their main focus of attention and needed change were in four (4) areas: wages, insurance, PERS conversion/benefit preservation, and an adjustment in the starting and ending date of the Agreement (which includes an extension of the current Agreement). The remaining issues were withdrawn from fact finding.

These items were specifically addressed by the fact finder in this report and are based upon the evidence and arguments proffered by the Union and the City and are the basis for the recommendations contained in this report that conform to the statutory criteria that all fact finders must follow.

CRITERIA

OHIO REVISED CODE

In the finding of fact, the Ohio Revised Code, Section 4117.14 (C) (4) (E) establishes the criteria to be considered for fact-finders. For the purposes of review, the criteria are as follows:

1. Past collective bargaining agreements
2. Comparisons
3. The interest and welfare of the public and the ability of the employer to finance the settlement.
4. The lawful authority of the employer
5. Any stipulations of the parties
6. Any other factors not itemized above, which are normally or traditionally used in disputes of this nature.

The recommendations contained in this report are listed in accordance with Articles that were open and the subject of mediation. For the sake of brevity the specific rationale proffered by the parties in support of their positions on each open issue can be found in Appendices A and B. However, in summary the parties' positions on the issues of wages and health care are as follows:

Summary of Union's Position on Wages, PERS, Health Care, and Duration:

The Union understands the City's financial condition, yet it wants to be treated in an equitable manner with other bargaining unit employees. For example, the police and fire bargaining units will receive over three (3) years, a six percent (6%) increase in one percent (1%) increments. The Union is amenable to the conversion over a reasonable period of time and tailored to the current PERS benefit differences among specific classifications in the bargaining unit. It is significant to note that no other bargaining units in the City have this benefit. On the issue of health care indicated it will be responsive to reasonable adjustments providing said adjustments are the same for all employees. The Union indicated it was flexible on the issue of the Agreement's duration, providing the period of the Agreement's extension is addressed in terms of some form of compensation. The Union's position on the issues can be found in its Position Statement.

Summary of City's Position on Wages, PERS, Health Care, and Duration:

The City argues it has financial challenges that require it definitive prudent steps to control its costs, while providing reasonable increases in compensation that are manageable and justified. The Employer, while willing to treat all City employees in an equitable fashion, argues it needs relief in the costly area of health insurance. The City's position on the issues can be found in its Position Statement.

Fact-finder's overall Findings:

There is no question that the City must take careful, yet definitive steps in response to the financial challenges caused by the "great recession" and clear declines in revenue. While

not in the same shape as some neighboring cities in terms of revenue, the City made a strong case for balancing its revenues and expenses in a manner that is both sensible and farsighted. Steps taken now are likely to bring dividends in the future. The continued financial soundness of the City and protecting the employment of workers in order to provide services to the public are what matters most, and the evidence indicates both can now be achieved with a restrained set of adjustments to wages, while taking steps to manage costs more effectively.

Based upon these positions, the evidence in the record, and applying the statutory criteria, the following recommendations are made in hopes that the parties will ratify a new agreement. Listed below are the articles where there are recommended changes. They are provided within the context of the current collective bargaining language as well as originally proposed language. Crossed out language was rejected or withdrawn or was rejected by the fact-finder and is NOT recommended, but **bolded** language in regular or capitalized font is recommended language.

RECOMMENDATIONS:**ARTICLE 33****WAGES**

33.01 Effective **the first full pay period in June, 2013**, all bargaining unit employees shall receive a **1% wage increase**. Effective **the first full pay period in January, 2014** all bargaining unit employees shall receive a **1% wage increase**. Effective **the first full pay period in June, 2014** all bargaining unit employees shall receive a **1% wage increase**. Effective **the first full pay period in January, 2015** all bargaining unit employees shall receive a **1% wage increase**. Effective **the first full pay period in June, 2015** all bargaining unit employees shall receive a **1% wage increase**. Effective **the first full pay period in January, 2016** all bargaining unit employees shall receive a **1% wage increase**.

Schedule of wage increases based upon the above:

June 2013	1%
January 2014	1%
June 2014	1%
January 2015	1%
June 2015	1%
January 2016	1%

***The above increases are in addition necessary adjustments in wages and lump compensation resulting from the PERS conversion and the Agreement extension (See Article 33.10 and Article 59). For purposes of calculation the schedule of adjustments made as a result of the PERS conversions shall precede the application of the coinciding wage adjustments identified above.**

33.02 Employees regularly assigned as plant maintenance or operators at the Water Treatment and Waste Water Plants (hereinafter "Maintenance or Plant Operators") shall receive the following additional amounts in addition to their base rate:

Optional License Employees	\$0.50 per hour
Class 1 Employees	\$1.20 per hour
Class 2 Employees	\$1.44 per hour
Class 3 Employees	\$2.12 per hour
Class 4 Employees	\$2.20 per hour

The above license pay is non-cumulative and the employee shall receive one amount for only the highest license obtained. (Parties acknowledge this as current practice).

33.03-33.07 (Contained in the Memorandum of Understanding): Each of those years as set forth in those provisions are extended by one (1) year, i.e., 3 years extended to 4 years (33.03); 3, 4 and 7 years extended to 4, 5 and 8 years (33.04); 4 years extended to 5 years (33.05); 3, 6 and 10 years extended to 4, 7 and 11 years (33.06 & 33.07). Obtainment and advancement in licensing for all Water Treatment and Pollution employees hired on or after January 1, 2004, as extended for one year, remains a condition of employment. Employees hired prior to January 1, 2004, shall not be required to have or advance in licensure, however, such employees will receive the appropriate reimbursement if they choose to achieve a license or to advance in licensure.

33.08 The following Certification Stipends shall apply to those personnel only in Sewer and Water Distribution, excluding temporary labor (hereinafter "Field Operators S/WD"):

- Those personnel who hold a Class 1 as their highest Operator's Certificate - \$0.25 per hour
- Those personnel who hold a Class 2 as their highest Operator's Certificate - \$0.60 per hour

Field Operators S/WD may have dual Operator's Certificates in Water Distribution and Sewer and shall be compensated for up to two certificates in different fields. No employee shall receive more than \$1.20 per hour in stipends for dual certificates as Class 2.

Those personnel as contained in this Section who hold an Ohio Laboratory Certification shall receive a \$0.25 per hour stipend in addition to their hourly rate.

EXAMPLES:

- Employee has Water and Wastewater (Sewer) certification as Class 1 in both = \$0.50 in stipends
- Employee has Water and Wastewater (Sewer) certification as Class 2 in both = \$1.20 in stipends
- Employee has Water certification (Class 2) and Wastewater (Sewer) (Class 1) = \$0.85 per hour

NOTE: With this language, Appendix E is modified to only include existing stipends for Maintenance Operating Technician, Laboratory Technician and Leading Maintenance Technician

33.09 Paychecks will be made available by direct deposit except when a special exception has been approved by the Appointing Authority.

33.10 The Employer agrees to pay the following share of all bargaining unit employees,

except Finance Division employees, required PERS contributions during the term of this Agreement:

Effective the first full pay period in January 2014 the employer will increase the wage rate by 3.333% in addition to any negotiated cost of living increase and will only pick up 6.666% of employees, required PERS contributions.

Finance division employees effective the first full pay period in January, 2014 the employer will increase the wage rate by 1.5% % in addition to any negotiated cost of living increase and will cease to pick up any share of Finance division employees, required PERS contributions

Effective the first full pay period in January 2015 the employer will increase the wage rate by 3.333% in addition to any negotiated cost of living increase and will only pick up 3.33% of employees, required PERS contributions excluding Finance Division employees.

Effective the first full pay period in January 2016 the employer will increase the wage rate by 3.333% in addition to any negotiated cost of living increase and will cease to pick up employees, required PERS contributions excluding Finance Division employees.

ARTICLE 34 INSURANCE

34.01 The Employer shall continue to pay its existing percentage contribution of the premiums for the hospitalization insurance. The Employer shall pay eighty (80%) percent of the premium. The Employer reserves the right to change insurers, **OR TO MODIFY THE EXISITING PLAN DESIGN BY IMPLEMENTING CO-PAYS AND/OR MODIFICATION OF DEDUCTIBLES. ~~providing the benefits are comparable to the existing coverage.~~ ELIGIBLE EMPLOYEES WILL RETAIN HEALTH CARE COVERAGE.**

Note: the current plan (2013) will be used as the baseline plan.

34.02 The City shall continue the current Life Insurance Coverage in effect without cost to the employee.

ARTICLE 59 DURATION

59.0_ The Parties agree to extend the current collective bargaining agreement effective January 1, 2010 through December 31, 2012 until May 31, 2013. For this consideration all employees will receive a 1% percent lump sum payment for all regular hours from January 1, 2013 through May 31, 2013,

59.0_ This Agreement shall become effective at 12.01 a.m. June 1, 2013 and shall continue in full force and effect, along with any amendments made and annexed hereto, until midnight, May 31, 2016.

FOR THE EMPLOYER:

FOR THE UNION:

DATE: _____

DATE: _____

TENTATIVE AGREEMENT

Any tentative agreements reached by the parties as well as any current language that is not changed or not addressed above shall be considered to be recommended in the successor Collective Bargaining Agreement.

The fact finder respectfully submits the above recommendations to the parties this ____ day of May 2013 in Portage County, Ohio.

Robert G. Stein, Fact finder