

STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

Report and Recommendation of the Fact-Finder

In the Matter of:

The City of Warren, Ohio	)	
	)	2013-MED-10-1246
and	)	Case No. <del>12-MED-10-1246</del>
	)	
AFSCME, Ohio Council 8, AFL-CIO	)	
Local 2501	)	

APPEARANCES

For the Employer:

David D. Daugherty, Personnel Supervisor  
City of Warren  
391 Mahoning Ave., N.W.  
Warren, OH 44483

For the Labor Organization:

Deborah Bindas, Staff Representative  
AFSCME, Ohio Council 8  
150 South Four Mile Run Road  
Youngstown, OH 44515

Factfinder:

Richard P. Gortz

Date of hearing: May 16, 2014

Date of Recommendation: June 5, 2014

## **Introduction**

The City of Warren, Ohio, the County Seat of Trumbull County with an estimated population of 41,000 is located in the Mahoning Valley, northeastern Ohio. The City employs 392 full-time employees. Three hundred forty of the employees are represented by unions in 6 bargaining units. The bargaining unit which is the subject of this report, AFSCME, Ohio Council 8 Local 2501, contains 24 middle management employees consisting of supervisors, managers, coordinators and directors of departments. The unit is certified by the State Employment Relations Board (SERB).

Warren is a typical “rust belt” city which has seen loss of heavy industry, especially steel and related business. This has resulted in loss of population and tax base, as the City attempts to regain an economic foothold. Employees in this and other bargaining units have received no wage increases since 2008. The City employee base has declined due to layoffs and not filling vacant positions.

Other City three year collective bargaining agreements commencing in 2014 have provided wage increases of 1.5% per year, with a change in health coverage offering a modified plan with employees paying 10% of the premium, capped at \$80 for family and \$40 for single coverage. In the second and third years, the cap increases to \$100 and \$50 respectively. Alternate coverage, mandatory for new hires and optional for employees hired prior to January 1, 2011, is provided with no premium contribution by employees. The health insurance modifications for 2014 for those units were effective May 1.

The previous collective bargaining agreement (“CBA”) for this unit was effective January 1, 2011 through December 31, 2013. The parties met on six occasions to negotiate a successor agreement and tentatively agreed upon modifications to several articles, a listing of which is included elsewhere in this report and made part hereof.

The parties were at impasse on seven issues and filed for fact finding with SERB. On March 19, 2014, the undersigned was notified by SERB that he had been selected by the parties as Fact Finder under ORC 4117.14(C)(3).

The parties filed a request for extension of the fact finding deadline with SERB, which request was approved. This report is filed within the extended time.

A fact finding hearing was held at the offices of the Employer on Friday, May 16, 2014. Present at the hearing were:

For AFSCME, Ohio Council 8 and Local 2501

Deborah Bindas, Staff Representative

Daniel J. Sferra, Jr., President, Local 2501

James Black, Vice-President, Local 2501

Leann O’Brien, Treasurer, Local 2501

David Sferra, Executive Committee

For The City of Warren, Ohio

David Daugherty, Personnel Supervisor

BArian Massucci, Director of HR

David Griffing, City Auditor

The recommendation of the Fact Finder is based upon the criteria set forth in O.R.C. 4117.14(C)(e). They are:

- (a) Past collectively bargained agreements, if any, between the parties;
- (b) 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;
- (c) The interest and welfare of the public, and the ability of the public employer to finance and administer the issues proposed, and the effects of the adjustments on the normal standard of public service;
- (d) The lawful authority of the public employer;
- (e) The stipulations of the parties;
- (f) Such other factors not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of the issues submitted to mutually agreed upon dispute procedures in the public service or in private employment.

## Issues at Impasse

### Article 14, Pay Rates

Rates of pay for 2014, 2015, 2016.

Union Position: 1.5% per year effective January 1 of each year.

City Position: 0% first year, 1.5% second year, 1.5% third year.

### Article 14, Pay Rates

Classification - Administrative Coordinator Position

Union Position: Administrative Coordinator position to remain in bargaining unit. If City creates a new bargaining unit position of Administrative Assistant, rate should be no less than \$24.38/hr. plus applicable increases, which is currently the lowest pay rate in the Unit.

City Position: New position of Administrative Assistant per proposed position description at a rate of \$21.50/hr., rate effective 1/1/2014, plus any applicable negotiated increases.

### Article 15, PERS Pickup

Union Position: Additional 2% picked-up by city effective 1/1/14 for a total of 3%. Additional 2% on 1/1/15, and an additional 2% on 1/1/16 for a total of 7%.

City Position: No change in PERS pickup.

### Article 15, Pay Variations

Certificate License and Degree Compensation

Union Position: Add Degree Compensation to pay package

City Position: Educational requirement contained in position qualifications and built into salary. No additional compensation for education.

#### Article 15, Pay Variations

##### Educational Increases

Union Position: Increase certificate and degree compensation in each year of agreement.

City Position: No increase in certificate compensation.

#### Article 30, Health Care Benefits

##### Health Care Plan Employee Contribution

Union Position: Premium contribution for current plan tied to City approving wage increases in 2014, and pay variation increases.

City Position: Employees begin paying contribution for current plan effective January 1, 2015.

#### Article 26, Sick Leave

Union Position: Current language.

City Position: Add requirement for physician note for long absences, and other changes to control absence.

#### Article 34, Drug and Alcohol Testing

Union Position: Current language.

City Position: Add random testing and additional modifications to update prohibited substances.

Prior to opening the hearing, this Fact Finder queried the parties as to the potential for mediation of some or all of the outstanding issues. The parties agreed to attempt settlement through mediation. During the mediation process, the Union withdrew its proposals on education supplement, and an increase in license tack-on and addition of an education supplement. Committee members stated they intend to pursue these issues in future negotiations.

After considerable mediation and numerous potential packages placed on the table by both parties, the package proposed herein, with two exceptions noted below, gained consensus of the parties, who requested that this Fact Finder issue a report for consideration by the City Council and by the membership of Local 2501.

## **Discussion and Rationale**

### **Pay and Health Insurance Package**

The wages, supplements, PERS pick-up and health insurance issues are intertwined in this unit and are best addressed as a package. While the City admits that the PERS pick-up for this unit is considerably less than for other units (1% for this unit and up to 10% for other units), it claims that current financial stress prohibits it from making this unit whole at this time. The Union requests 2% per year increase, which will total 7% by the end of the agreement. With the Union's request for a wage increase of 1.5% per year, the total compensation package

proposed by the union totals 10.5% over three years. This is undoubtedly rich in today's economic environment, even for jurisdictions without the financial burdens of the City of Warren.

On the other hand, this unit has admittedly been short changed. When other units receive wage increases, the City must pay additional increases in PERS on those wage increases. When this unit receives wage increases, the employees themselves pick up a greater percentage of the PERS on those increases than other employees, resulting in less take-home pay. It is only fair that some small advances toward equity in PERS pick-up be part of the settlement package with this unit.

The Union agrees that it should have the same health insurance package as other employees in the city, but without a wage package that is acceptable, paying as much as \$960 per year premium, and as much as \$1,200 in the second and third year is unfair. The City proposes that employees have no wage increase in the first year and no health premium until the second year when its 1.5% wage increase takes effect.

The following is the Fact Finder recommendation and rationale on the pay and health insurance package:

Wage Rates: Employees wages are to be increased 1.5% effective July 1, 2014, an additional 1.5% on January 1, 2015 and another 1.5% on January 1, 2016. The Administrative Assistant is to be paid at the rate of \$21.50/hr. for duties specified in the position description submitted by the City.

PERS Pick-up. The Employer is to “pick-up” an additional 1.5% effective July 1, 2014, for a total of 2.5%. On January 1, 2015, the employer shall “pick-up” an additional 0.5% for a total of 3.0%.

Health Insurance. Effective July 1, 2014, and for the duration of this agreement, bargaining unit employees shall be covered by the health insurance proposal proffered by the Employer, with a choice of two plans for those hired prior to January 1, 2011. Employees shall be subject to payroll deduction of premium specified therein also effective July 1, 2014.

#### Rationale

Other AFSCME units received 1.5% increase effective January 1, 2014, but did not begin paying health insurance premium until May 1, 2014. By granting this supervisor unit 1.5% for six months of the year, and 1.5% percent PERS pick-up for six months of the year, the City has spent no more on this unit than on the others for FY 2014. Actually, since the other units received a 1.5% pay increase for four months without any payroll deduction of health insurance premium in return, and taking into account that the City paid a higher percentage of PERS for those employees, the City cost for the proposed compensation package for this unit is still lower than that for the other units for FY 2014. A further benefit of this package to the City is that there is no retroactivity to deplete current fiscal balances.

In order to provide some additional equity to make progress in leveling the playing field between units, this fact finder recommends adding another 0.5% PERS pick-up starting January 1, 2015. With that addition, the three year package cost is similar to other units, and helps move this unit toward equity.

## **Sick Leave**

The parties request that the Fact Finder make a recommendation on the issue of Sick Leave absence policy.

### Recommendation

Retain current language.

### Rationale

The City agrees that absence is not a problem with this unit, and that changing the policy is proposed only to have policies which are consistent with other units.

If absence is not an issue with this unit, employees should not be burdened with the requirement to submit a physician's note certifying that the employee was disabled and unable to work for absence of 3 or more days.

## **Drug and Alcohol Testing**

The parties request that the Fact Finder make a recommendation on this issue.

### Recommendation

Retain current language.

### Rationale

The City proposes to add random testing to the Drug and Alcohol Testing addendum to the CBA. The City provided no evidence of any drug or alcohol issues with this unit. Further, random testing is generally permitted for "safety sensitive" positions. The City offered no evidence that any of the positions are

“safety sensitive” as defined under federal law. Of course, such testing may be imposed by mutual agreement of the parties, however no such agreement has been reached.

### **Summary of Recommendations**

#### **Article 14, Pay Rates:**

Effective July 1, 2014 the base pay rate for all bargaining unit members shall increase by 1.5%.

Effective January 1, 2015 the base pay rate for all bargaining unit members shall increase by 1.5%.

Effective January 1, 2016 the base pay rate for all bargaining unit members shall increase by 1.5%.

Add: Administrative Assistant at \$21.50/hr. effective January 1, 2014, plus applicable increases.

#### **Article 16, Pay Variations**

Section 8. The City shall “pick-up” one percent (1%) of the Employee’s gross wages of the employee’s share of the Ohio Public Employees Retirement System contribution. Effective with the first pay period beginning in July, 2014, the City contribution shall increase its contribution by an additional one and one-half percent (1.5%) to a total of two and one-half percent (2.5%). Effective with the

first pay period beginning in January, 2015, the City contribution shall increase by an additional one half percent (0.5%) to a total of three percent (3.0%).

### **Article 30, Health Care Benefits**

#### Exhibit A or Option 1 (Offered to members hired prior to January 1, 2011 only):

Effective July 1, 2014, employees shall contribute ten percent (10%) of the total monthly premium as determined by the insurance carrier's actuary for medical, hospitalization, prescription and dental coverage. From the period July, 2014 through December, 2014, employee's contribution shall not exceed \$40.00 per month for single coverage and \$80.00 per month for family coverage. Thereafter, employee's contribution shall not exceed \$ 50.00 per month for single coverage and \$ 100.00 per month for family coverage

#### Exhibit B or Option 2 (Offered to members hired prior to January 1, 2011 and MANDATED for members hired after January 1, 2011):

Employees shall have the choice to select Option 2 with benefits as in Exhibit B. Employees who elect Option 2 shall not pay a premium contribution. Employees electing Option 2 shall do so no later than June 30, 2014, and thereafter may elect Option 2 during open enrollment of each year. Eligible employees who make no election shall be covered under Option 1.

## **Tentative Agreements**

Modifications tentatively agreed by the parties during the course of negotiations are incorporated herein and made part hereof.

Article 3, Term of Contract, dated March 5, 2014

Article 6, Union Representation, dated December 13, 2013

Article 15, Pay Variations, dated December 13, 2013

Article 28, Authorized Leaves, dated December 13, 2013

Article 29, Service Connected Injury dated February 5, 2014

Article 32, Termination of Contract dated March 5, 2014

Article 38, Pay Check Disbursement, dated February 5, 2012

Memorandum of Understanding dated February 28, 2014

Notwithstanding the terms of the agreement in the Memorandum of Understanding signed in February 28, 2014 in which the parties agree that “any improvements that are negotiated in the successor agreement will be retroactive to January 1, 2014”, the parties agree, and it is hereby recommended, that the terms of certain wages and benefits will be effective as otherwise agreed and/or recommended in this report.

Issued this fifth day of June, 2014 in Pepper Pike, Ohio:

A handwritten signature in blue ink, appearing to read "Richard P. Gortz". The signature is fluid and cursive, with a large initial 'R' and 'G'.

Richard P. Gortz

Fact Finder

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**Proof of Service**

I certify that an exact copy of this report has been sent by email this 5<sup>th</sup> day of June, 2014 to the following:

Ohio State Employment Relations Board  
65 East State Street, 12<sup>th</sup> Fl.  
Columbus, OH 43215  
MED@serb.state.oh.us

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Richard P. Gortz  
Fact Finder