

**WITHDRAWN**  
by Sponsor

**RESOLUTION NO.:** 2013-R52  
**SPONSOR:** MAYOR NORTON  
**INTRODUCED:** AUGUST 27, 2013

**RULES & PERSONNEL**

**ASSIGNED TO:** \_\_\_\_\_

**A RESOLUTION ACCEPTING THE REPORT OF THE FACT FINDER APPOINTED BY THE STATE EMPLOYEE RELATIONS BOARD REGARDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF GREEN AND AFSCME LOCAL 2714-EMPLOYEE UNIT, AND DECLARING AN EMERGENCY.**

WHEREAS, the Collective Bargaining Agreement between the City of Green ("Green") and AFSCME Local 2714-Employee Unit ("AFSCME") expired on April 15, 2013; and

WHEREAS, AFSCME and Green have continued to negotiate toward a new Collective Bargaining Agreement for the term of April 16, 2013 through April 15, 2016; and

WHEREAS, the State Employment Relations Board, pursuant to Section 4117.14 of the Ohio Revised Code appointed a Fact Finder to mediate and resolve outstanding issues between Green and AFSCME regarding the terms of the new Collective Bargaining Agreement; and

WHEREAS, pursuant to the Ohio Revised Code, the AFSCME Fact Finder issued his report on August 20, 2013; and

WHEREAS, Section 4117.14(C)(6) of the Ohio Revised Code requires City Council to accept or reject the report of the Fact Finder within seven (7) days of the date of it issuance.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GREEN, COUNTY OF SUMMIT, AND STATE OF OHIO THAT:**

**SECTION ONE:**

Green City Council accepts the report of the Fact Finder, attached as Exhibit "A", regarding the terms of the Collective Bargaining agreement between Green and AFSCME for the term April 16, 2013 through April 15, 2016.

**SECTION TWO:**

The City of Green finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in open meetings of this Council and any deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

**SECTION THREE:**

Council declares this to be an emergency immediately necessary for the preservation of the public peace, health, safety and welfare of the citizens of Green. Provided that this legislation receives the affirmative vote of three-fourths of the members elected or appointed to Council, it

Page 2  
Resolution 2013-R52

shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest time allowed by law.

ADOPTED: \_\_\_\_\_

\_\_\_\_\_  
Molly Kapeluck, Clerk

\_\_\_\_\_  
Dave France, Council President

APPROVED: \_\_\_\_\_, 2013

**WITHDRAWN**

\_\_\_\_\_  
Richard G. Norton, Mayor

COPIED H.R.  
SVCE ZONE PARK ROAD ENG  
LAW FIN MAY PLAN FIRE

ENACTED EFFECTIVE: \_\_\_\_\_, 2013

ON ROLL CALL: Colopy                      France                      Humphrey                      Knodel  
                         Neugebauer                      Reed                      Summerville

Suburbanite publication on Sept. 1 and Sept. 8, 2013

Molly Kapeluck  
Molly Kapeluck, Clerk

8/22/2013 Approved as to form and content by Stephen J. Pruneski, Law Director

Stephen J. Pruneski 8/22/2013  
(LS)

**EXHIBIT "A"**  
2013-R52

**IN THE MATTER OF FACT FINDING**

**BETWEEN**

**AFSCME OHIO COUNCIL 8 AND LOCAL 2714**

**AND**

**THE CITY OF GREEN, OHIO**

**SERB CASE # 2012-MED-12-1448**

**Robert G. Stein, Fact-finder**

**LEAD ADVOCATES FOR THE UNION:**

**Stevan P. Pickard, Staff Representative**  
**AFSCME OHIO COUNCIL 8**  
**1145 Massillon Road**  
**Akron, OH 43085**  
**[akregion@afscme8.org](mailto:akregion@afscme8.org)**

**LEAD ADVOCATES FOR THE EMPLOYER:**

**Michael D. Esposito, Esq.**  
**Shareholder/Employer Advocate**  
**CLEMANS, NELSON & ASSOCIATES, INC.**  
**2351 South Arlington Road, Suite A**  
**Akron OH 44319**  
**[mesposito@clemansnelson.com](mailto:mesposito@clemansnelson.com)**

## INTRODUCTION

The parties to this matter are AFSCME Ohio Council 8, Local 2714 (hereinafter "Union") and the City of Green, Ohio (hereinafter "Employer," or "City"). The Employer is located in northern Ohio. The bargaining unit is comprised of approximately forty-eight (48) employees who hold various positions in the City as identified in the Collective Bargaining Agreement's Recognition clause as well as in Appendix A. The current Collective Bargaining Agreement ("Agreement") was effective April 16, 2010 through April 15, 2013.

**General/State/Local Economic Overview:** Caution and underlying disquiet appear to be an apt characterization of the state of the current international, national and the local economies. The economy is improving but the improvement is uneven, some people recovered well from the effects of the "great recession," others did not and either remained unemployed, underemployed and have often experienced a substantial reduction in their wealth, which may be hard to rebuild depending upon age. The uncertainty appears to be 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 this year and has caused continued uncertainty. The Sequester has begun in a seemingly quiet way, but with no immediate hope of resolving what is predicted to become a drag on the economy in the not too distant future. However, as time goes on the effects will become apparent and will have a real life impact in northern Ohio (e.g. Head Start Programs are being cut, Cleveland Airshow being cancelled, teachers positions will likely be cut, military contract employees furloughed or laid off, etc.). Another example of disquiet is on the international front in terms of strife in Egypt, Syria, Iran, and Iraq, with threats of instability to other countries such as Jordan being predicted. And, the debt problems in European countries, even relatively small ones such as Greece, can undermine the U.S. and have an adverse effect on Ohio's economy, regardless of the best efforts of Ohio's leaders to sustain economic growth and reduce unemployment.

At this time the economy in Ohio does continue to show signs of steady improvement from a very long and severe national recession even though Ohio's unemployment rate rose to 7.2% from 7% in June. Some 32,000 jobs were added in May and then approximately 12,500 jobs were lost in June and "wide swings between job losses and job gains have been a pattern" in Ohio in 2013, which continues to keep many Ohioans somewhere between hope and concern. (Col Dispatch, 7/19/13) Job gains are certainly a welcome change from the years of past job losses, particularly in manufacturing, however job gains so far in 2013 are slower than what occurred in 2012 and there is still a long way to go to make up for the over 400,000 jobs lost in the last 12+ years, many of which paid well and had good benefits. However, as well intended as Ohio leaders may be, Ohio's economy is susceptible to the financial health of the United States and the world. A third area of uncertainty is the advent of the Affordable Care Act and its implications for hiring full-time workers versus part-time workers, in addition to many other uncertainties for employers and employees. A fourth is the general gridlock in Washington D.C., beyond the Sequester issue, that fuels increasing concern over inaction on matters that may also slow the economy, such as addressing a growing national debt, keeping Medicare and Social Security solvent, reducing unemployment, and creating jobs that pay a living wage. One only has to view the limited 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 educated or trained in one of the few areas of high demand. There are positive signs, the housing market continues showing signs of recovery and the auto industry has had record sales this spring. Yet, uneasiness persists with some twelve (12) million people remaining unemployed, and many others underemployed. And as previously stated, the recovery is uneven, depending upon location. In the first 6 months of 2013 some 900,000 new jobs were created. However, approximately two thirds of those jobs were part time with little or no benefits. At the same time, approximately 900,000 new graduates (high school and college) entered the labor market. Those who have been unemployed or underemployed now have more competition depending upon where one lives and the job market. In June Ohio ranked second in the nation in the number of jobs lost. The City of Green, in the experience of this neutral, has demonstrated significant foresight and calm during the past "Great Recession." While admittedly in a much better position than many municipalities

regarding its relative economic position, its thoughtful management of resources and its past sensible decision making are now paying off. However, no one in this economy is “out of the woods “and it, like all other municipalities in Ohio faces financial continued challenges that required continued prudence and measured commitments. At the same time, each member of the bargaining unit has a household budget that depends on continued income and reasonable increases in order to keep up with the cost of living. A well-managed city that wishes to provide first rate service to its citizens must also assume it will have to pay a fair wage and provide competitive benefits to recruit and retain qualified employees delivering superior service.

The two issues at impasse are specific; they deal with the percentage of contribution in the health insurance premium paid by employees and the amount of the salary increase for the bargaining unit each year of the Agreement. All other provisions of Articles 30 and 35 have been agreed upon, but for convenience are listed below. The fact finder has evaluated the position of the parties based upon the evidence and arguments proffered by the Union and the Employer, and the recommendations contained in this report (in shaded sections) are intended to 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 can be found in their position statements.

The summary the parties' positions on the issues of wages increases and health care employee contribution toward the premium are as follows:

**UNION'S POSITION:**

The Union's position on changes in employee health insurance premium rates in Article 30 and the amount of wage increase in Article 35 is as follows (only the amount of contribution in Section 3 of Article 30 and the amount of the wage increase in Section 1 of Article 35 are in dispute, all other sections of these articles have been agreed upon)::

**ISSUE 1 ARTICLE 30 HEALTH AND LIFE INSURANCE (Section 3-contribution rates):**

The Union proposes to eliminate the current maximum amount ("cap") on contribution rate, making the new employee contribution rate during the life of the Agreement to be:

- 1<sup>ST</sup> YR: 6% of the COBRA Rate**
- 2<sup>ND</sup> YR: 10% of the COBRA Rate**
- 3<sup>RD</sup> YR: 10% of the COBRA Rate**

**ISSUE 2 ARTICLE 35 COMPENSATION:**

- 1<sup>ST</sup> YR Retroactive to April 16, 2013 a 3% wage increase (all steps and classifications)**
- 2<sup>ND</sup> YR: Effective April 16, 2014 a 3% wage increase (all steps and classifications)**
- 3<sup>RD</sup> YR: Effective April 16, 2015 a 3% wage increase (all steps and classifications)**

The Union argues that the financial position of the Employer is very strong, and states "that



unlike other municipalities across the County, the City of Green steadily grew its reserves throughout the economic downturn.” It argues the City is in very good financial condition and can afford the positions it espouses on wages and on employee health care insurance premiums. In support of this arguments the Union points to the City’s ending balance for FY 2012 of \$22.6 million dollars, which represents over 100% of its FY 2012 cash expenditures. The Union also anticipates that in FY 2013 the City may even improve on that performance. The Union also cites the City’s AA+ bond rating, its income levels, and access to the economies of both Akron and Canton as indicators of its future economic strength. Affordability is not an issue in this matter, asserts the Union. (See Union’s February 4, 2013 Financial Analysis) In addition, the Union argues that non-bargaining unit employees in 2013 received merit raises that mirror its proposed general wage increase. (See Union Exhibit, City Resolution 2013-R27)

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**CITY:** The City’s position on changes in employee health insurance premium rates in Article 30 and the amount of wage increase in Article 35 is as follows (only the amount of contribution in Section 3 of Article 30 and the amount of the wage increase in Section 1 of Article 35 are in dispute, all other sections of these articles have been agreed upon):

**ISSUE 1, ARTICLE 30**  
**HEALTH AND LIFE INSURANCE BENEFITS**

**Section 1.** The City shall provide all full-time employee(s) covered by this Agreement group hospitalization, surgical, medical, prescription drug, vision and other related health insurance benefits under the same terms and conditions as provided to other **non-**

bargaining employees of the City. Such group insurance may be provided through a self-insured plan or an outside provider. Cost containment measures may be adopted by the Employer in consideration of projected costs, market availability of coverage(s), utilization, options available to it under and compliance with the requirements of the Patient Protection and Affordable Care Act and the Health Care Education Reconciliation Act of 2010, hereafter "Affordable Care Act" or "ACA." The City shall meet and confer with the Unions (all recognized bargaining units) regarding costs and levels of coverage, but the City shall make the final determination if a consensus is not reached.

**Section 2. Provider Changes.** The City shall provide the Union with no less than fifteen (15) days written notice of a change in insurance providers during the term of this Agreement. Notice will be provided through the Health Care Committee.

**Section 3. Contribution Rates.** Employees electing to participate in the City's health insurance and fully participating in the City Health Fair shall contribute a sum equal to ~~five percent (5%)~~ of a percentage of the total monthly premium (COBRA cost less administrative fees as calculated by the City's stop/loss carrier) in effect for family or single coverage as elected by the employee as follows:

**Full Health Fair Participants**

- Year 1 Employee Contribution: 10.0%
- Year 2 Employee Contribution: 12.5%
- Year 3 Employee Contribution: 15.0%

**Less than Full Health Fair Participation/Non-Participants**

Employee Contribution: 15%

For purposes of the phrase "full participation," an employee will be considered a full participant by voluntarily undergoing all offered screening, testing, and other medical services offered at the City health fair. In the event that an employee does not wish to receive testing, screening, or services through the City health fair, he shall be able to be considered as being a full participant if he undergoes all screening, testing, or other medical services provided at the health fair through his private physician. In order to certify alternative participation, the employee shall be required to complete a City form certifying that the screening, testing, or other medical services have been provided and complete a release that will permit the Employer to verify with the health provider the date/time when completed.

~~For the term of this Agreement, the maximum per month employee contribution shall be thirty dollars (\$30.00) for single coverage and seventy five dollars (\$75.00) for family coverage. Such contribution shall not exceed the maximums permitted by the ACA. The parties recognize that employee affordability under the ACA will be measured based upon the bronze plan (i.e., lower tier plan being offered) for a single plan and~~

