

NEW PHILADELPHIA CITY COUNCIL MET IN SPECIAL SESSION IN COUNCIL CHAMBERS ON WEDNESDAY, MAY 11TH, 2016 AT 5:00 PM WITH PRESIDENT OF COUNCIL, SAM HITCHCOCK, PRESIDING.

MR. HITCHCOCK OFFERED A PRAYER, AND ALL IN ATTENDANCE RECITED THE PLEDGE OF ALLEGIANCE.

MR. DEAN HOLLAND
MR. DARRIN LAUTENSCHLEGER
MR. ROB MAURER
MRS. AIMEE MAY
MRS. CHERYL RAMOS
MR. KELLY RICKLIC
MR. JOHN ZUCAL

THE PRESIDENT REQUESTED COUNCIL FORGO THE SECTION: MINUTES FROM THE PREVIOUS SESSION, ADMINISTRATIVE REPORTS, BOARD/COMMISSION REPORTS, STANDING COMMITTEE REPORTS, VISITORS COMMENTS, AND COUNCIL COMMENTS FROM TONIGHT’S AGENDA. HE SAID HE WOULD HOWEVER LIKE TO KEEP COORESPONDENCE AND OLD AND NEW BUSINESS IN THE AGENDA, AS IT’S RELATED TO THE PURPOSE OF THE MEETING.

MR ZUCAL MADE A MOTION TO ACCEPT THE AGENDA
MR. RICKLIC SECONDED THE MOTION
ROLL CALL 7 YEAS
THE AGENDA IS ACCEPTED

Correspondence.....Clerk, Julie Courtright

1. *To New Philadelphia City Council and Administration from Mayor Joel Day, dated May 11, 2016. This is a Statement of Support for the Bargaining Unit’s Contracts. Mayor Day wrote the following:*

Council members,

You have asked that I give you a written statement on why the IAFF and FOP contracts should be passed by council. Here is my justification.

Ohio’s collective bargaining law is perceived as favoring bargaining units. But in fact its process has one undeniable consequence: a ruling by an arbitrator can price union employees out of their jobs by forcing unreasonable costs on a city budget. The result could be layoffs and reductions in city services. The law still gives management the right to use layoffs to cut costs. Layoffs can have long term consequences for families.

By accepting these agreements we avoid the risk of giving someone else the responsibility of setting our employees’ wages. History has shown us that arbitrators’ rulings typically give more than what management has bargained for. An arbitrator has no responsibility to the taxpayers of New Philadelphia.

During our interest-based bargaining sessions, our management negotiating team was told by mediator Ken Hickey of the State Employment Relations Board that our wage proposals were below the outcome he would predict if they were taken to fact-finding and arbitration. Our HR consultant Clay Morris confirmed his opinion. That was a key fact in our decision to reach the tentative agreements.

On the flip side, the bargaining units understood our position that their original wage proposals were unrealistic and agreed to take lower percentages in each of the three years of the contracts.

The bottom line is the responsibility to determine city workers’ wages should remain here, and not be compromised by outside arbitrators. It’s a responsibility that has to be shared by all of us: the administration, council and the bargaining units. The negotiating teams from both sides worked hard in reaching these tentative agreements. And I believe they are fair to both sides and are affordable.

The auditor has expressed her concern about this year’s appropriation budget. As a result, department heads will continue to be required to operate on tight budgets, and return appropriated dollars to the general fund to help cover the contract costs. The goal will be to end the year with a healthy carryover to 2017. The budget meetings I announced on Monday will police that requirement, and keep council informed on a monthly basis.

In addition, monthly labor-management meetings will be conducted by HR and the Tusc Labor Management Council to engage the bargaining units in finding ways to cut costs and deliver services more efficiently. It's time to involve our workforce in the process. We all must take ownership in managing the city budget and share the responsibility in seeing that the shareholders in our municipal corporation – the taxpayers – are receiving a positive return on their investment.

I have confidence in the future of New Philadelphia's economy. City income tax collection continues to increase. Freeport Press will begin its New Philadelphia operation this summer. Through visits made by Service Director McAbier and myself to New Philadelphia's larger employers, we have learned that several companies plan to expand and add jobs. The New Philadelphia Business and Community Association is working hard to make our downtown a destination for shopping, culture and entertainment. The planned gateway project at the KSU-Tusc campus will spark development in that area of East High Avenue. Several new commercial businesses are scheduled to be under construction in the West High Avenue/Bluebell Drive area later this year. And as mayor, I will continue to work tirelessly to support employers in the city and create an environment that makes New Philadelphia a destination for new business and families.

For these reasons I support approval of the IAFF and FOP contracts, and I'm asking you to do the same. Thank you.

Sincerely,

Joel B. Day, Mayor

PRESIDENT OF NEW PHILADELPHIA CITY COUNCIL SAM HITCHCOCK ASKED FOR A MOTION TO CONSIDER TWO PIECES OF LEGISLATION TONIGHT WITHOUT COMMITTEE ASSIGNMENT AS PER RULE 14.

MRS. RAMOS MOTIONED THAT THERE BE AN ACCEPTION TO RULE 14

MR. RICKLIC SECONDED THE MOTION

7 YEAS

THE EXCEPTION TO RULE 14 HAS BEEN APPLIED

MR. ZUCAL MOTIONED THAT RESOLUTION 24-2016 AND RESOLUTION 25-2016 BE ADDED TO TONIGHT'S AGENDA

MR. HOLLAND SECONDED THE MOTION

7 YEAS

RESOLUTION 24-2016 AND RESOLUTION 25-2016 ARE ADDED TO THE AGENDA

MR. ZUCAL MOTIONED TO ACCEPT THE AGENDA AS AMENDA

MRS. RAMOS SECONDED THE MOTION

7 YEAS

THE AGENDA IS ACCEPTED

Mr. Zucal made the following comment:

I would ask again that Mr. Morris provide us with a calendar of any potential other agreements in the timetable that need to be passed so we can forgo the need to continue to suspend that rule, and we can act in what I believe a more timely and appropriate fashion.

Mayor Day had the following response to Mr. Zucal:

Mr. Morris sent the timetable to Law Director Fete and copied me on the email.

Mr. Lautenschleger had the following response:

I created a calendar, I couldn't wait anymore. (hands copies of the calendar to all members of Council and Administration.)

Mr. Lautenschleger had the following comment:

I just wanted to ask the reasoning behind Resolution 24-2016 this evening. According to my calculations we were presented we were presented that on April 25, 2016. We don't need to act on that until May 25, 2016.

President of New Philadelphia City Council Sam Hitchcock had the following response:
The request was given to me by Mayor Day last night.

Mayor Day made the following comment:
Clay Morris said that because of the deadlines approaching for the FOP Contract it would be wise to act on it tonight.

Mr. Zucal had the following question for Law Director Fete:
Just so we're all on the same page, when talking about "when presented to Council" my understanding is that would only be when we meet as a whole in this Council Chamber. Is that true?

Mr. Fete to Mr. Zucal:
That would be my interpretation. Mr. Morris had a different interpretation than I did. His interpretation was that we are in session perpetually.

Mr. Zucal had the following comment:
I respectfully decline and disagree with Mr. Morris' comment. We can only act as a body when we meet requirements. For us to act independently of that would be a violation of the Sunshine Law when it's presented to us because we cannot discuss that outside of Council's consistently regular schedule. That's just problematic to me. My hope is that we come to a consensus that it can only be "presented" to us when we meet in a regular or even a special session.

Mrs. Ramos had the following comment:
Even though I made the motion, I would just like to say that I do not like, as you know, rushing through legislation that deals with money. I think the residents have every right to have three hearings, whether they show up or not. They deserve an opportunity to know what's going on. I know that we're being pushed by the union, that we have to look at this and act on it. I just want to express my extreme displeasure that this situation was forced upon us.

Mr. Lautenschleger had the following comment:
I'm not challenging Mr. Morris' interpretation of the code by any means. He's got to know it better than I do. My point is he should provide that calendar to us. That should have been provided as part of the information we received. I'm concerned about the service we're getting from him right now. I don't question his negotiating authority, I don't think he prepares properly, and I'll stand by that.

READING OF ORDINANCES AND RESOLUTIONS.....

ORDINANCES.....NONE

RESOLUTIONS:

24-2016 A RESOLUTION BY THE COUNCIL OF THE CITY OF NEW PHILADELPHIA,
OHIO TO ADOPT AN AGREEMENT BETWEEN THE CITY OF NEW
PHILADELPHIA, OHIO AND THE FRATERNAL ORDER OF POLICE LODGE 4
TO BE EFFECTIVE JANUARY 1, 2016 THROUGH DECEMBER 31, 2018.
1st Reading

MRS. RAMOS MOTIONED THAT RULES BE SUSPENDED ON RESOLUTION
24-2016
MR. MAURER SECONDED THE MOTION
7 YEAS
RULES ARE SUSPENDED ON RESOLUTION 24-2016

MR. LAUTENSCHLEGER MOTIONED FOR PASSAGE OF RESOLUTION 24-2016
MR. RICKLIC SECONDED THE MOTION
7 YEAS
RESOLUTION 24-2016 IS PASSED

Mr. Lautenschleger, Mr. Ricklic, and Ms. Gundy spoke before Resolution 24-2016 was passed

Mr. Lautenschleger had the following comment:

When I look at the overall contracts I've got some philosophical concerns and some budget concerns. Basically, the 2016 budget for four projected contracts and the increases of non-bargaining that have been proposed, that's somewhere between \$160,000 and \$200,000 to the budget. This year there are some dollars already put in for non-bargaining, and an additional amount each year for the next two years of \$200,000 a piece. Last July we received projections that showed the 2016 Budget would have a \$500,000 deficit if nothing was to be done. The Auditor attacked that and I give her credit. She came to us with a plan and that was to use additional income tax funds to cover them. That was a change for us, we've done that in the past, but it is a change. Based on the levels of projected revenue in the next few years and the levels of projected expenses, we're going to see the need to continue to use those income tax funds. These contracts aren't going to "break the bank" so to speak. We can cover them. The contract negotiations for 2019 and beyond are going to be completely different. I've said it before, I'm worried about the path we're taking right now. That bell curve's on the way down. That's nothing new, we all heard that before. I would be remiss as Finance Committee Chair if I didn't tell you that. However, while these contracts won't break us, they're part of the issue we're fighting. If we want to continue to have the same levels of service and the same levels of employment that we're sitting here with, is some changes of some sort. Are we going to get additional income somehow? Voter approved tax increases, that will be a tough sell. Is there some other golden parachute out there? I doubt it. We're at a point where we've got some major challenges ahead. I have banged the drum as much as anybody. I will continue to bang the drum. We need to attract, appropriately provide wages for, benefits, all the other working conditions for an effective, intelligent and dedicated work staff. If we're going to continue to do that we'll have to see some changes of some sort. I'm really glad that we're seeing our human resources department actually look at our non-bargaining staff and our supervisors especially and start to develop the structure to put them in the proper timeframe. That will take time to phase in. I understand that. To develop the pay scales, to create that area, but that will be a hit as well. These things all hit to the budget and are unfunded. We've got some concerns. I'm very concerned about how we're going to do this and stay with our heads above water, especially when we hit 2019. Our next contract negotiations are going to be very interesting given the current levels. We've got a Projected deficit for 2017 as we sit now. Even with the changes that were made for this year. If we keep the same strategy we're using for this year for next year we're probably \$500,000 in the whole, I'm guessing. That's a guess. I may be way over, I may be way under. For 2017 based on our projections last year before any change in income tax allocation was over \$1 million, 2018 was more than \$2.6 million. That's severe. That's something we've got to make up somehow. Some of that could be cut-backs. I don't want to see cut-backs, I don't want to see job loss, I don't want to see service cut-backs, I don't want to see any of that. I'm concerned that's where we're headed if we don't make some changes. So, I just want everybody to be aware of that. We're in a spot now where we know that we'd be throwing additional dollars, the goodwill of our staff, and the effectiveness of all of us in this room and our Administration away if we want to challenge these things. There's a part of me that does want to challenge it. There's a part of me that wants to challenge it and start the process over because if it was true interest-based bargaining, these budget figures would have been shown to these people and they would have been part of that process. That part would have been done. It would have been brought back to us initially, this whole process would have been brought back to us with a tentative agreement. We don't have a tentative agreement, we think we do. Here's where we're at, what do you people think? We're going to go back. That's the way the process worked before and it was effective. They protected the taxpayers on that. I'm not sure we're doing that now and that's got me very concerned. It's frustrating to me. Our challenge now starting with all of us in this room and our administration, our workforce too, is to be conscious of that. I'm very thankful for our workforce. We have two of them here inside this room. (motioning to two firefighters in the audience) I'm very thankful for them. For all of them. I hope they recognize that too, and I hope that they're approached by somebody that they're thankful to the residents as well, and the business owners and all of our partners because that's important. I'll probably

talk about this again at each of the meetings. I appreciate it, I'm very concerned. I think we've got a big (cont.) task ahead of us. I'll keep you posted based on the meetings I get to sit in on with the Mayor, the Service Director, and the Auditor coming up. It's a challenge, the budget's stiffer. We just don't have those dollars to turn to now.

Mr. Ricklic had the following comment:

To add on to Mr. Lautenschleger's statement, yes, I want those meetings the Mayor has proposed with the Finance Chair, and the Auditor, and the Service Director. I want them to very strongly keep us abreast of what you find, how those numbers are working, what are the increases. I also want to challenge our workforce, as Mr. Lautenschleger said, be part of this. The funding that we're giving you is the funding from the Citizens, and that is most important. The Citizens are who we work for. I really appreciate our workforce, I always have. I don't want any member of the workforce to lose their job over money. I want everybody to look at that as a whole, and I want to start that now, just showing our good faith of the Administration recommending these contracts be passed. I think that's very important they do that on Council floor, not just behind the scenes, and that's what I'm looking for. I want this to be a team effort. That's why I ran for Council, to support the Citizens, to support the workforce, to support the Administration and this Council.

Auditor for the City of New Philadelphia Beth Gundy had the following comment:

I sent out some numbers where we were over-budgeted because of worker's compensation and that type of thing. It's not huge dollars but I'm showing it as how it's helping pay for stuff.

25-2016 A RESOLUTION BY THE COUNCIL OF THE CITY OF NEW PHILADELPHIA,
OHIO TO ADOPT AN AGREEMENT BETWEEN THE CITY OF NEW
PHILADELPHIA, OHIO AND THE INTERNATIONAL ASSOCIATION OF
FIREFIGHTERS, LOCAL #1501 TO BE EFFECTIVE JANUARY 1, 2016
THROUGH DECEMBER 31, 2018.

1st Reading

MR ZUCAL MOTIONED FOR SUSPENSION OF RULES ON RESOLUTION

25-2016

MR HOLLAND SECONDED THE MOTION

7 YEAS

RULES ARE SUSPENDED ON RESOLUTION 25-2016

MR. ZUCAL MOTIONED FOR PASSAGE OF RESOLUTION 25-2016

MR. RICKLIC SECONDED THE MOTION

6 YEAS

1 NAY FROM MRS. RAMOS

RESOLUTION 25-2016 IS PASSED

Mrs. Ramos spoke before Resolution 25-2016 was passed.

Mrs. Ramos had the following comment:

I want to echo very strongly the concerns of Mr. Lautenschleger and Mr. Ricklic and also I have my own thoughts that I've written down here. Last fall a majority of voters passed a 25 year tax increase on property owners to fund a new fire station, yet tonight the fire employees are demanding more from the tax payers. Council has been backed into a corner by the Union and as per Mayor Day's letter the threat of outside arbitrators. This agreement is unsustainable and unsupportable. When I was first elected to Council a firefighter, not the Chief, asked me how I was going to get more money for the fire department. I replied that the overtime needed to be better managed. He told me that maybe they would have to decide which calls to answer and that most of them were in my ward. Two and a half years later the overtime has not decreased and my question about it resulted in a letter from the Safety Director advising me not to ask him anymore and that I was to check with the Auditor who directed me to the monthly print-out with money legitimately taken from numerous line-items. Council also stopped receiving the monthly overtime reports provided by the Chief. At a Council meeting the

Safety Director, when questioned by me, said that the contract requirement of minimum manning was the cause of the exorbitant costly overtime. This new contract does not address the minimum manning issues, but the employees are given an extra 8.67 paid days off, an extra paid 208 hours per year instead of a raise. This is equivalent to a 7 percent raise in year one of the contract. As a minimum manning requirement these hours must be covered. According to my calculations this will cost the taxpayers approximately \$85,000 per year, not zero as reported on the cost analysis. We are all here elected officials or employees to serve the residents, not take from the residents. So, my conundrum tonight is as an elected official standing up for the residents of my ward, can I vote in good conscience ethically or morally for a contract I know at current tax receipt levels to be unsustainable and unsupportable while also knowing that the Union will seek legal action if not passed? Do I want to see services cut for our residents in order to pay for this contract? Do I want to see employees laid off to pay for someone else's wages? Do I want to see the good things that are beginning to happen for our City halted due to an unsustainable Union contract? In these hard economic times it cannot remain business as usual. The taxpayers and residents must be first.

UNFINISHED OR OLD BUSINESS.....

Mr. Zucal made the following statement:

Just a Committee assignment that I have requested to you Mr. Hitchcock.

President of New Philadelphia City Council Sam Hitchcock had the following response:

Mr. Ricklic already has the paperwork on the request for the new hangar at Harry Clever Field. That assignment will be given to the Special and Contact Committee.

Mr. Zucal made the following statement:

Although I'm not a member of the Special and Contact Committee, as the Chair of the Airport Commission I will be glad to help Mr. Ricklic in helping Council to understand what that proposal is and anything that we can do to fulfill the responsibilities asked of us by the members of the Commission.

Mr. Ricklic made the following statement:

I'd like to call a Committee meeting before the next regularly scheduled Council meeting on May 23rd.

President of New Philadelphia City Council Sam Hitchcock made the following statement:

I do have a request from the Service Director to present into Committee a request for purchase of a new plow truck for the Street Department and for a new garbage truck for the Sanitation Department. Would you take this into your Committee, Mr. Lautenschleger?

Mr. Lautenschleger had the following response:

Thank you

NEW BUSINESS.....NONE****

MOTION BY MR. MAURER MOTIONED TO ADJOURN AT 5:34 P.M.

CLERK OF COUNCIL _____

APPROVED _____

PRESIDENT OF COUNCIL _____