



**Norwood City Council
Special Meeting
Council Chambers
March 16, 2011
7:30 PM**

A) CALL TO ORDER

The Council for the City of Norwood met in special session on the above date with Ms. Jane Grote presiding. The meeting opened with a prayer and the Pledge of Allegiance.

B) PRAYER

C) PLEDGE OF ALLEGIANCE

D) ROLL CALL

On roll call, all members were present.

F) CONTRACT NEGOTIATIONS

Ms. Grote stated that the Mayor asked for this Special Meeting of Council to discuss contract negotiations. The Mayor stated that he has folders for each council person. He said that you will see a spreadsheet for 2009 and 2010, then we will do 2011, 2012, and 2013 proposals. He said that then he will touch briefly on Senate Bill 5 (SB5).

The Mayor stated that talks with the bargaining units have been going on since January. He stated that he cannot remember a time where Police and Fire have been in the same room discussing issues. It was agreed among the bargaining units, himself and Mr. Geers that something had to be done and that we move in that direction. The Mayor stated that he will ask Mr. Geers to do the first part of the spreadsheet that he has prepared. Then they will talk about Police and Fire contractual issues.

Mr. Geers stated that they have used the 2011 payroll analysis spreadsheet to get their numbers. He said that he will cover 2009 and 2010. He will also cover Police and Public Works. In 2008, Public Works had 20 employees. In 2009, one leadman and one driver left the Public Works Department. The garage employee's salary was \$55,000.00 and the truck driver salary was \$49,000. They did not fill those positions, so it brings savings to \$104,000.00. Public Works finished 2009 with 18 employees. In 2010 the Police Department was down by 2 officers, and they did not hire for an estimated savings of \$216,062.00 for Police in 2010. In 2010 Public Works did not replace the two positions, so the estimated savings are about \$160,000.00. In 2010, \$322,062.00 was saved between the Police Department and the Fire Department.

The Mayor asked if a representative for the Police and Fire Departments would like to come up to be available to speak. The Mayor noted that for Police staffing, if you run 4 officers short it is a savings of \$507,745.00. The Police also cut training by \$40,000.00. The mayor said that if council extends the contract from 2011 to 2012 and 2013, there will be no salary increases. If they remain 4 under compliment it is an estimated savings of \$1,037,088.00. From March, 2010 to December 31, 2013, savings is \$1,885,000.00. Police and Fire have taken money-saving moves, and he will give an example. The Police Chief has moved people out of positions to staff the uniformed division. The Fire Chief has moved inspectors onto the line. In the past that was the agreement between the bargaining unit and the chief, that employees were moved from offline to the line. Both chiefs have taken positive steps to support the line. Minimum manpower is a safety issue to Police and Fire. Both chiefs have taken action to reduce costs. The Fire department will save \$150,000.00 by moving personnel. A savings of \$364,000.00 for the rest of the year will occur by not hiring to replace the four retired officers. The city will save \$528,000.00 in both 2012 and 2013. We will save \$22,500.00 in costs just to hire people. In 2012 we will save \$678,000.00 to include overtime and not fill the positions. In 2013, we will also save \$678,000.00. If you look at the proposed conditions we have worked out, it saves \$1,000,000.00 a year, and he believes this is

helpful. There is no doubt most of the city dollars are budgeted to these departments. There have been other savings from not filling vacancies, such as from testing and not outfitting personnel. They were able to get these numbers by saving on expensive one-time costs. Both chiefs and the bargaining units and himself sat down and came up with this plan. The mayor noted that the representatives are here for questions. There has been talk about contract negotiations going on in council executive sessions, but the Mayor stated that he thought that talks should open this time. The Finance Committee has been struggling going through the numbers, but they think they have made progress. Mr. Moore asked who produced the numbers and what are they based on. George Schneider, Fire Union representative, answered that he discussed these with Mr. Stith and they talked about the cost per Firefighter. They used those numbers to figure out those that are unfilled positions and those that are retiring. It comes out to 10 months of savings and about \$100,000.00. That is where the \$364,000.00 came from. As far as overtime, they put in about \$150,000.00 with bringing 3 guys down to the line. This puts extra people on shifts and will save us \$150,000.00. Of course, we cannot calculate overtime for people that are off sick or on vacation. The fire chief figures that we will have \$186,000.00 in savings not counting sick time or off track time in 2011. With three months of 2011 are already gone, their best guess is that savings for 2012 and 2013 will be about \$200,000.00. In the first year the savings include adding in \$22,500.00 for gear. That is in 2011 but not in 2012 or 2013. For 2011 we will save \$532,000.00. The chief figured \$568,000.00 for that. Mr. Moore noted that they will be pulling people who wouldn't normally cover for minimum manpower and they will cover for those who are gone. George Schneider said that by bringing those people down, if we are running below complement, we will only be one man down on the line. Mr. Mumper asked if the people who are going down on line now will be able to get their current jobs done. George Schneider answered that it is his understanding that they will do their best to do their current jobs. The inspectors will be out inspecting 16 hours each, but he's not sure how that will work as he doesn't supervise them. Mr. (Victor) Schneider said that he was glad to see that there is progress and that alternatives have been discussed. Mr. Schneider added that he is dismayed that there hasn't been previous information given to Council on this. He said that the Finance Committee has been trying to find solutions but they have not found any. He noted that the solutions have to come from the Police Department and Fire Department. He's not sure if what they proposed will work or not. The Mayor stated that he takes some responsibility for that, trying to keep these discussions under the radar. When they were gathering information people knew something was going on. He said that Mr. Schneider, as head of the Finance Committee, had made a request and he will have a full report for his committee from the lieutenant and officer, giving a full briefing on 911. Mr. Schneider said that he would have liked to have been contacted about what they were working on. He said that this is the Mayor's challenge; but that council has to pass the budget. Not having the information from the Mayor and not keeping the Finance Committee advised is discouraging. The Mayor apologized to Mr. Schneider. Mrs. Lake stated that she appreciates the discussions going on. She said we have \$2,600,000.00 to cut, and while the Mayor has listed a lot of things here in 2011, \$2.6 million minus \$750,000.00 from developmental impact plus these numbers in round figures brings us a savings of \$2 million. In 2011, you say there is \$1 million in savings. Those items were not budgeted for in the budget. We have to cut \$2 million even if those people are not there. The savings are future savings, but we have included not filling these positions. Mr. Schneider said that in the most current worksheet we have provided for a full compliment. The way that stands leaves us \$1,904,000.00 behind the way it is. We would need 4 layoffs or concessions from the Police and crime control and in Firefighting we need 6 layoffs or concessions to get to a balanced budget. It includes the \$750,000.00 Developmental Impact Funds being used and shutting down 911. Even with the concessions, that takes one person out of Parks and one person from the Health Department. That's a lot of cuts. Mr. Sanker stated that he would like to recognize people from the police bargaining unit here and asked if they want to explain their numbers. Officer Kueffer said that the numbers presented are all based on numbers from the Auditor's office. When they were working these numbers up, their impression was that their total compliment was accounted for. Mrs. Laake said that there have been several working sheets. She feels that Public Works and AFSCME get the financial hits more often. She said that we cannot save \$846,000.00 from this budget because these are savings we have already done. Mr. Sanker said that he would like the Police

Representative to finish. Officer Kueffer said their numbers are running five under compliment. Savings up to 2010 have been one year in the works. They are five under compliment by retirements and other reasons. They did a cost basis of what hiring and medical costs would be. They have the same situation as the Fire department, as they will lose people to retirement. They have cut where they can by not staying at full compliment. The chief has assigned one drug unit person and one administrative person to patrol to alleviate the minimum man which generates overtime. Our problem with moving daytime people to the line is that we will run out of those that we can pull from other preferred assignments. These are cost savings that will help down the road, but they're nothing right now in the city's pocket. After indicating that the Union Representatives were done, Ms. Grote thanked the officers and asked the Mayor what he is asking council to do. The Mayor stated that the numbers were all over the place. First he has heard discussion from the Finance Committee about 911 and he's not sure if the numbers there are correct. The mayor said they sat down with the departments and tried to come up with savings, and did what we could to reduce costs. The Mayor said he has one more issue to discuss. There is a lot of discussion about SB5. He has been in touch with labor attorneys and senators. If amendments are made, it goes back to the House for a vote. Then, after the governor signs it, it will go into effect in 90 days. The Mayor said that he thinks it will be on the ballot in November with enough signatures. He thinks it will be longer still before it would go into effect. He noted that some municipalities are hedging their bets on contract negotiations. With these contract extensions you have two years out zero percent and zero percent on raises, each one \$1 million a year. He talked to senators and they consider it wise to extend. The unions are asking for no raises for two years and to cut personnel costs. The Mayor said that he thought council would say that the numbers were decent. He hopes council will say to go ahead and get it in writing for them to consider. He asked if Council wants them to precede and get the contracts reduced to writing and amended and extended. Mr. Sanker asked the Mayor if, under these conditions and agreements, he needs a vote from Council to reopen the contracts to implement these. He also asked if the bargaining units need to vote on this too. The Mayor stated that both units have authority, as the Fire Department gave authority to their executive committee to sign off and the Police bargaining units have authority to sign off. If Council says to go ahead, we'll have an agreement to extend with provisions and bring it back to Council. If Council does not want to do that, tell us now and we won't spend money. Mr. Sanker asked if we would need a vote of Council to do that. Ms. Grote stated that a vote is appropriate if you want to make a motion like that. The vote is not approving this change, unless that is the motion you make. You can move to authorize the administration to continue to negotiate along these lines, or you can move to give the Mayor authority to enter into contracts, but you would need an ordinance for that. The contract itself is not before Council so this would not be a binding vote on the contract. She noted that the Mayor seems to want to know if there are enough council members in favor and will bring it back. The Mayor said that if Council says, "No way, we don't want to do this," then we won't do anything. Ms. Grote said that council can decide or they may want to defer it. Mr. Schneider asked the Mayor if the representative for Clemens Nelson was here. He also asked if he was present while these negotiations went on. The Mayor answered, "No." Mr. Schneider asked again to clarify that he hasn't used that counsel for that. The Mayor said that they felt that we needed to save money. When it comes down to contractual language we will need to work it up. He did not use a bargaining person to decide on these concessions. Mr. Schneider stated that his first inclination is to say no, we cannot afford this. Our target the whole time has been to save \$2,600,000.00, and these numbers only take a small portion of this. Mr. Schneider said we have worked on several worksheets in the Finance Committee and have worked off different assumptions, with no communication from the Mayor. There were some assumptions made like a 36 hour work week and laying off people. There were some assumptions on recreation. One of the biggest assumptions was that we don't have money set aside to fill positions in Fire and Police. At the last committee meeting, others said we cannot narrow it down using those assumptions. Others indicated that if we have a contract for a full compliment, we have to put that in there. He was hearing from some that if you take something to council we have to put a full compliment on the budget otherwise it would be an illegal document. Mr. Schneider said that he feels confident that the Finance Committee will have something for council to pass for a budget at next Tuesday's meeting. What has been presented to us tonight is not enough. Also, our local

government funds are being cut even more by the governor. Our intergovernmental money will not be there. We can't put a budget together by the economy coming back. This is not enough to get us where we need to be. Mr. Moore said that he watched the last finance meeting, but he only saw the end of it and saw that there was a positive balance \$36,000.00. Now it says that the budget is \$1 million short. Mr. Moore asked what is in that \$1 million. Mr. Schneider answered that the committee was operating on an assumption that we were not going to fill the Police and Fire positions that were open and coming open. Mr. Moore asked the Auditor if the numbers assumed that we would be short for four or five personnel in the Police and Fire departments. Mr. Stith answered, "Yes." He explained that as outlined on the budget worksheets there is a footnote description stating that the compliment would be down 4 or 5 men. We are down 2 and are expecting 2 more to leave. Before the last Finance Committee meeting, Mr. Stith said that he was asked to put the full compliments back in because the contracts say that we have to have a full compliment. When the last budget sheet came out, they were operating on the assumption the city would not be hiring 4 police officers and a 2-1/2 Firemen. They were also operating on the assumption that the city would be implementing a 36 hour work week. Those assumptions are detailed in the notes on the budget worksheets. The most recent worksheet raised back the Fire and Police to full compliment with Mr. Schneider's work. Mr. Schneider stated that he made notes of what is in the current worksheet, and he can run through it. Mr. Moore stated that he needs to know if it makes a difference to what they have. Ms. Grote asked Mr. Moore if he would find that information helpful from Mr. Schneider. Mr. Moore answered, that it would. Mr. Schneider said that where we stand without concessions from Police and Fire is \$1,194,000.00 short. This includes no Enquirer ads and that in Clerk of Courts two part time people go to contract. There is no funding for an assistant tax commissioner and it eliminates health care for the civil service administrator. It includes funding for civil service testing because that is required as stated in the contract. It takes out the 36 hour work week which could save a lot of money and jobs, which he indicated said he never heard on that from the Mayor. This budget moves the building commissioner and the plans examiner to fund 13. The police administration and fixed expenses of gas and electric are going to fund 28, which is the developmental impact fund. Mr. Schneider noted that the Mayor had stated previously that he would veto anything if we use that fund, but it's one of the only options we have. This budget has a full compliment with no concessions and it eliminates the auxiliary Police. The Fire department's fixed expenses also go to fund 28 and it has a full compliment of Firefighters with no concessions. The community center fixed expenses and public lands and building move to fund 28. This budget lays off one employee in Parks and playgrounds. It eliminates 911 dispatch and moves that service to Hamilton County to administer. Mr. Schneider said that he utilized the same population as the city of Forest Park to figure costs for that. Forest Park uses the county 911 system and they have 19,500 runs. Their EMS and Fire runs are comparable to ours, so the \$226,000.00 of contractual funds will go to Hamilton County. Gas and electric for the health department will go to fund 28 and a medical services key reduction of one employee to part time and laying off one person in health and environmental. Crossing guard funding will be eliminated after June. Our outside legal increased because we have layoffs and will potentially need more legal help. The subsidy to the recreation department will be reduced from \$90,000.00 to \$50,000.00. We will be utilizing every penny of the \$760,000.00 used from the developmental impact fund. If we can utilize the Lindner fund donation for salaries, it puts more money there for that. He stated that Mr. Geers had told him that the Mayor would have to talk to Mr. Lindner about that, but he didn't hear back from the Mayor. Mr. Schneider said he never got information for the assumptions for the elimination of dispatch from the Mayor. That gets us to being \$1,904,000.00 in the red without concessions. It's all of those plus we need concessions. Mr. Moore asked if the Mayor would like to comment on that. The Mayor stated that he would not ask Mr. Lindner that, as he felt Mr. Lindner's money was meant for the senior center. Mr. Schneider told the Mayor that council was never informed of that. The Mayor said as far as dispatch, the committee will get a full report on that so that they can make a decision. You will get all the information that you need to make an informed decision and it will be your decision. Mr. Schneider asked the Mayor if that information will be available by Saturday. The Mayor said that they have been working on it. He said there are costs for 911 if Hamilton County does it. The Mayor said that Mr. Schneider will get everything he needs. He said there will be two people who will

attend to give you the information that is needed. He then stated that regarding the \$750,000.00, he would consider vetoing it as he prefers that we hold onto it. He said wrote letters to unions and violated contracts to try to save the money. They worked hard on the concessions, but if it's not good enough then reject it. The ramifications are not what you think they will be. He then said that he appreciates the hard work of the Finance Committee and Mr. Schneider. He concluded saying that it is solely up to council. Mr. Gabbard asked for clarity on the dollars from the senior center. He said that if it's meant for them and we use it to offset a salary there to keep it going, how is that a problem. The Mayor said that we were invited down to Mr. Lindner's office by Mr. Lindner; the city never asked Mr. Lindner for the money. Mr. Lindner asked what we needed. The Mayor said that he mentioned the needs at the senior center. Mr Lindner came and toured our senior center and said that he would like to help fix it up. He called the next day and provided a check for \$250,000.00. The city has accounted for every dime spent, same as the Water Works project. That money is for kids and seniors. In the future, the city may get a trust from Mr. Lindner, but we would only get the interest on the trust. The Mayor noted that the developmental impact fund was also made not available for a long time. He was under the impressions that there were purchase orders coming down seeking payment before it was appropriated for gas and electric. The Mayor feels everyone made an honest effort. Mr. Schneider asked Mr. Stith what his thoughts are. Mr. Stith said that he sees that there are no wage increases in this proposal. The numbers are a little off but the Fire department is close, but he was not sure if that number includes the two and a half percent raise for this year. Mr. Stith did note that they don't get any increase in 2012 and 2013. The Police numbers are also a little off. He asked if these numbers include training and new uniforms for new hires. The Mayor said that they have not hired anyone. There is a letter in the packet which indicates there is nothing set aside for training. Mostly it is testing, body armor, etc. so it is about \$19,000.00 for four officers. In the past, officers coming in got money for higher test scores. The two and a half percent increase for this year is still in the contract. Mr. Mumper stated that he's not sure what is in the budget and what it is not in the budget. He said that he would like to see us move ahead with what was presented to us tonight to do the paperwork and get the savings in the budget. Mr. Mumper said he would like to make a motion to proceed with what was presented to us with contracts to be adjusted and that these numbers be put in the budget. Mr. Moore seconded the motion. Mr. Moore stated that when he first saw these numbers, it seemed that we wouldn't have to lay anyone off. He said he has a problem with laying off everyone except Police and Fire. He wants to see what comes out of finance with the final budget. Mr. Moore stated that he never imagined the Police and Fire unions would be coming forward to make this offer and he applauds what they did and appreciates the improved relationship. He said that these are huge concessions, but that he's not completely convinced that this is our best position. Mrs. Laake said that she thinks we should move more slowly. She said that things have been approved in the past without full knowledge of the economic impact. She said that she has no idea if \$1 million in concessions is enough. She suggested that before we commit to this and paying their full insurance for full year and she was concerned that we can continue to do these same things. She knows the medical insurance will go up and the local government funds will be cut. She thinks it is irresponsible to commit the city to this for the next two years. She said she will not consider committing to it without seeing firm numbers. Mr. Thornbury said that to have something of this magnitude given to him a few minutes before a meeting starts and to give him letters with numbers on the back and expect him to be able to understand it immediately. He said that we were given this for a reason which was to study it and make a decision based on that. He said that if you wanted council to make a considered opinion about something like this, we should have received it well before the meeting. The letters are dated March 1 and March 2, and we received the request to have this meeting last week. So we can only assume the numbers were ready since last week. Mr. Thornbury said that the Mayor says he deplors the use of grandstanding, but this strikes him as grandstanding. These numbers have to be analyzed, and he wants to review them with the auditor. He said to the Mayor that if you're asking us now to vote and to go ahead and say yes to this, he doesn't believe that the Mayor might be serious. Mr. Mumper said that he did not make a motion to vote on anything. He said he made a motion to proceed with the paperwork and put it into the budget. We will need to meet to vote on the union contracts. Mr. Thornbury stated that he doesn't want anyone to think that a vote for this motion approves what we're doing

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here. It is his belief that we don't need a vote to take numbers to the Finance Committee and plug them into the budget. He doesn't want to be on record that he's voting for moving forward on these numbers. Mrs. Laake said that she is very concerned that a vote of "yes" might indicate that we're opening contract negotiations and we then have ten days to act. Acting on things quickly has gotten us in trouble in the past. She wants to have time to review the numbers and see what putting them in the budget will do. Mrs. Laake said she is trying to understand how a vote will make an impact. Reviewing this legitimately will make us better informed Council people. She has too much respect for the budget, the City and its employees to hurry this. She said that the people that are here today care about the city. She suggested that council should take time to review the budget. She said she will vote no on this tonight. Mr. Moore said that this is no different than when the Mayor came to us before in an executive session and we had discussions about offers. He understands Mrs. Laake's concern for a formal vote. He asked the Mayor if he needs a formal vote or just a sense of what we think. The Mayor stated that he didn't want to put pressure on anyone. He said he is just looking for direction. Mr. Gabbard said that he does appreciate having these numbers. He asked what a vote tonight was going to do. He suggested that we just say that these are the numbers that they have come up with and on Saturday you plug the numbers into the budget and decide whether it will or will not work. Mr. Gabbard said he doesn't understand why there has to be a vote on it. He continued saying that we're going to plug in the numbers and see how it works. He said he felt these were good numbers but is it good enough. He stated that he does not see a need for a vote at this time. He then asked the Mayor what will happen to the offer if we do not vote on it tonight. The Mayor said he will never pull it off the table. Mr. Gabbard asked if the unions would say that too. The Mayor said they are been cooperative. Mr. Sanker stated that we have looked at the numbers and have said that it's not enough. He noted that there is always room for improvement. These were issues we ask them to look at and they actually came back with more than what we suggested. However, we are at a point where we're now looking for more. No matter what we get is not going to be enough. Due credit should be given to the administration and the unions. The realizations we've been discussing all along are now true. All the assumptions were taken off the budget worksheet. Ms. Grote repeated the motion to authorize the Mayor to continue with extensions as presented tonight and for Finance Committee to put the numbers in their calculation on Saturday. Mrs. Laake stated that she does not want to vote and indicated that she has not made up her mind either way. She won't know until after Saturday how it will work and will not give the assumption that we're moving forward. Mr. Schneider said that it is a good effort, but it is not enough. Police and Fire use \$14 million of our budget and we cannot do other services with the remaining \$5 million. The meetings we have had were open meetings. In four meetings things have changed a lot. All the Finance Committee meetings are televised; all the changes from each meeting have been outlined. All this has been out in the open the whole time. Mr. Schneider asked Mr. Kiser if this is voted on and approved and it then asks the finance committee to assume these concessions are being taken. He has been told the full complement should be in the worksheet because that is what the contract says. He wanted to know if we can put this in worksheet and if that is acceptable, as it only an assumption. Mr. Kiser answered that the Finance Committee looking at projections would not break the contracts. He stated that we wouldn't be able to proceed beyond that without an agreement to amend the contracts. Mr. Moore asked Mr. Kiser what are the legal effects of passing a budget that doesn't cover all the city's debts other than being declared in fiscal watch for emergency. Mr. Kiser stated that this doesn't automatically result in declaration of fiscal watch or fiscal emergency. He said he doesn't want to answer this question further without research. He said that we are required to pass a budget that is a true reflection of our finances. Mr. Schneider stated that we have fifteen days to pass a budget and asked Mr. Kiser what would happen if we do not pass a budget. Mr. Kaiser answered that Mr. Stith might be the better person to ask this question to. Mr. Stith stated that according to ORC section 5705.38 unless money is appropriated he cannot issue a check and he cannot issue any purchase orders. If April 1 comes, and we have no budget he has no authority to pay any bills or anything else unless it was done before April 1. Mr. Stith stated that we have to have the appropriations. Mr. Moore asked the Mayor if he has any thoughts on a consensus or not. The Mayor said that he does not. Mr. Moore withdrew his second to the motion. Mr. Mumper withdrew his initial motion. Mr. Mumper stated the political lines been drawn in the sand. Mr. Mumper said he never

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wanted to be a politician he just wanted to be a councilman. Ms. Grote stated that there are no other motions on the floor.

G) ADJOURNMENT

On a motion by Mrs. Lake, seconded by Mr. Thornbury, it was moved to adjourn the meeting. All members present voted yes.

Casey Brown
Clerk of Council

Jane M. Grote
President of Council