



Testimony of

David S. Smith
Mayor of Lancaster, Ohio

House Subcommittee on Health, Employment, Labor and Pensions
at the hearing entitled:

“H.R. 413 Public Safety Employer-Employee Cooperation Act of 2009”

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Chairman Andrews, Ranking Member Price, distinguished members of the House Education and Labor Committee: thank you for this opportunity to appear before your committee. My name is David Smith and I am the mayor of Lancaster, Ohio.

I come before you this morning to present my views on successful collective bargaining between the city of Lancaster, Ohio and the International Association of Fire Fighters (IAFF) and the Fraternal Order of Police (FOP). This administration has been able to work through the bargaining process to the mutual benefit of the citizens of Lancaster and our public safety employees. The process has been one of openness, mutual respect and consideration for the other side's limitations and concerns. The process is only as complicated as the two groups decide to make it. By keeping the goal of fairness and cooperation in sight, we have been able to come to agreements.

My previous positions in marketing and sales for glass manufacturers did not prepare me for the collective bargaining process. Although I had served on the local school board during negotiations with the Lancaster Education Association as they represented the teachers, I did not have extensive training in negotiations or labor relations. My job as mayor focuses on managing the budget, delivering services, and serving the citizens. Part of that service is guaranteeing that effective safety forces are ready to meet the city's needs. Therefore, a considerable amount of time is spent talking to, negotiating with and settling issues with our city employees.

After my election in November of 2003, I was greeted by a deficit budget for 2004 of almost \$1,500,000 out of a general fund budget of about \$25,000,000. Two expiring union contracts needed to be resolved before the end of my first year in office with

AFSCME and Local 291, IAFF. And those would be followed the next year with contracts with our other two unions - - Police and Com-Techs (both FOP).

Once I had my feet on the ground in my position as mayor, we had our first meeting for contract negotiations with Local 291 (of the IAFF). We had some preliminary meetings to get acquainted with the players on both sides and to establish some ground rules. During the negotiation, we freely exchanged ideas and matter-of-factly worked out the details of new health insurance participation rates, minimum staffing as well as general contract language and the all important wages and benefits. Both sides worked without outside legal counsel and had the contract done in a timely fashion. It was ratified by the union and by city council by the end of the year. It was a good package for the Firefighters, the Administration and the residents and businesses of the City.

The next year we took the same approach with the FOP – Officers and Supervisors. Again, we established the basic ground rules, looked at the priorities of both sides, limited the number of issues to be resolved in this contract, discussed the issues openly and over a period of several meetings came away with a contract that the union and that City Council understood and could support. We have worked together for a second 3-year contract with both FOP and IAFF. We are about to begin later this summer the third contract with IAFF.

The US Congress has been talking about health care and the City of Lancaster had its own meetings with our bargaining units. We talked about affordable benefits, co-pays, participation rates, how to open up competitive bidding by the healthcare providers, and how the cost of health insurance affects the ability of the city to pay better wages. One of the key outcomes was an understanding that increased participation rates going from a small dollar amount to 10%, 12% and 14% of the actual cost of the insurance over a 3-year period.

In all cases, we often had to revisit the issues. We have had a number of memorandums of understanding, organizational shuffles to save money and contract openers for the next year. Contract openers occur when both parties have uncertainty about the future and want to wait for better information in the months ahead. The current economic climate has made this approach a necessity in the last two years.

Maintaining adequate safety forces and equipping them properly is a challenge in these economic times. The City of Lancaster has a 2010 general fund Budget that is less than its 2009 budget, which was less than the 2008 Budget and which was less than the 2007 Budget. We have prioritized Safety Forces and have sacrificed street, culvert and bridge maintenance. We have been unable to afford the necessary maintenance of our public buildings. We have dealt with the heavy burden of unfunded mandates by the EPA on our local water and waste water plants. The State of Ohio also has budgetary problems and it would appear that the state will be reducing its support to local governments. All of this impacts the money we have to pay our safety forces. The City of Lancaster is not unique in its concern for the future.

Both sides have sacrificed significantly during these hard economic times. We have already cut back on general spending to maintain safety forces but decreased revenues from all sources ultimately means layoffs in the departments we need most, Police and

Fire. We are already at lower than suggested personnel levels in both the Police and Fire departments for a community our size. We have re-organized both departments as supervisors retired and we replaced those positions with lower paying ones. The bargaining units are aware of the economic climate and have helped by spreading their vacations over the whole year versus the prime summer months to reduce the need for overtime. They have accepted the elimination of the supervisory positions and have taken 0% salary increases in order to avoid layoffs in the departments.

I wish to tell those not familiar with collective bargaining that our success has been built on common sense and respect. Both sides need to share goals, appreciate the financial status of government, and be relatively open to the other's thoughts and ideas. In my experience, it isn't that difficult to work out the differences. After all, these safety forces personnel protect our lives and property everyday and they want to continue to do so.

Again, I thank you for listening to my comments. I hope that my testimony has shown you that collective bargaining is not something that should be feared by those not familiar with it. Collective bargaining is working in Lancaster, Ohio. It reflects the cooperation and dedication that the administration and the safety forces know is necessary to serve the city.

Respectfully submitted,

David S. Smith
Mayor of Lancaster, Ohio