



CITY OF LAUREL, MARYLAND

ORDINANCE 2017, Sec 13-13(c) – IMPASSE HEARING

UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1994

And

THE CITY OF LAUREL, MARYLAND

DECISION

INTRODUCTION

The Mayor and City Council of Laurel, Maryland are called on to decide on the disputed issues between the United Food and Commercial Workers, Local 1994 (the “Union or Employee Organization”) and the City of Laurel, Maryland (the “City or Employer”) collectively the “Parties” pursuant to the Impasse Notice dated February 22, 2024.

Pursuant to Ordinance No. 2017, Section 13-13 (c), once an impasse is declared, the Mayor and City Council are required to hold a hearing on all matters in dispute as presented by the Parties. The presentations of the Parties were submitted to the Clerk to the City of Laurel on March 25, 2024. A hearing was held on April 1, 2024, by the Mayor and City Council in closed session. At the conclusion of the presentations of the Union and the City, the Mayor and City Council conducted deliberations on the disputed items. After deliberation, the Mayor and City Council convened in open session and voted favorably to approve the City’s final proposal presented to the Union on February 15, 2024.

FACTUAL BACKGROUND

Prior to the declaration of impasse, there were a total of seven (7) in-person bargaining sessions held between the Parties. The bargaining sessions were held on December 14, 2023; on January 11, 18, and 25, 2024 and on February 1, 8, and 15, 2024. Final proposals of the Parties were passed on at the February 15, 2024 bargaining session. In addition to the bargaining sessions, the Union made several written requests for information related to the bargaining. The City provided the information requested by the Union.

The Parties reached tentative agreements on certain issues subject to ratification by the members of the Union and the Mayor and City Council upon agreement of the entire Collective Bargaining Agreement (“CBA”). By the February 1, 2024, meeting, the Parties had tentatively agreed on all non-economic language to be included in the first CBA.

The Union’s first proposal on wages was submitted on February 1, 2024. The City noted that the proposal contained mistakes. The Union submitted by email a corrected proposal to the

City on February 2, 2024. The Union demanded a three-year agreement with the City paying a 6.0% pay increase on July 1, of each year of the contract and a 3.5% step increase each year up to year twenty (20) for a proposed three (3) year contract. The Union also submitted additional economic demands.

The City's Director of Budget and Personnel Services analyzed the Union's proposal and determined the Union's demand on wage increases only, would increase the City's annual cost of straight time pay from \$1,909,067.68 to \$2,844,328.40 an increase of \$935,260.72 or 48.99%.

At the February 8, 2024, bargaining session, the City passed a full economic counter proposal to the Union. The City proposed a three-year (3) agreement with 2.5% step increase, and a 2.5% annual increase in each year of the Agreement. The City further proposed a contract retaining all of the same benefits, pension, health insurance, and longevity increases the employees currently have.

The City bargaining committee also pointed to the fact that in FY 2023, the City provided an 18% increase to each employee in the bargaining unit.

To demonstrate the reasonableness of its proposal, the City provided current pay scales for the same or similar classifications as are in the bargaining unit from Greenbelt, Bowie, and Hyattsville.

On February 8, 2024, the City requested that the Union come to the scheduled bargaining session on February 15, 2024, two hours early and prepared to conclude negotiations and that the parties remain at the meeting until the Parties reached an agreement.

On February 15, 2024, the Union submitted a response to the City's proposal less than two hours before the final bargaining session. Although, the City had requested the proposal be submitted a day earlier to allow time for review. The City delayed the start of the bargaining session to allow time for its review and to provide a response to the Union.

The proposal submitted by the Union on February 15, 2024, increased its demand for an annual pay increase from 6.0% to 6.5% and reduced its 3.5% step increase to 3.0% for the proposed term of the three (3) year contract. The Union demand would increase the cost of straight time pay alone by \$809,672.00 or 42%. The Union also proposed additional paid days off. The proposal would increase costs by \$47,010.33 per year.

At the February 15, 2024, bargaining session, the City informed the Union that its second passed proposal was still fiscally irresponsible. The City also informed the Union that it failed to consider the cost of its proposal and comparable pay at other municipalities and that its current demand was unreasonable. The Union indicated that it would not change its proposal and the bargaining session ended with the Parties at impasse.

On February 22, 2024, the City submitted a formal letter to the Union noting that the parties were at impasse and must proceed with the Impasse Procedure outlined in Section 13-13 (b) of Ordinance No. 2017.

DISCUSSION

Factors Considered

Pursuant to Ordinance No. 2017, 13-13 (c) the Mayor and City Council may take into consideration any factors it considers significant to reaching the determination, including but not limited to the following factors: a) Wages, benefits and other working conditions of other local government employees employed in bargaining units of similar employees in other municipal or county agencies of similar size and demographics; b) the values of other benefits available to or received by City employees; c) Cost of Living information; or d) the availability of funds.

During, the hearing on April 1, 2024, the Mayor and City Council heard the presentations from the Union and the City on the disputed issues. Following the presentations, Council Members asked questions of the Union regarding wages of employees employed in bargaining units of similar employees in other municipalities. Additionally, there was discussion on the 18% wage increase in Fiscal Year 2023 by every employee in the bargaining unit and whether this wage increase was considered with respect to the wage demands made by the Union during negotiations.

Final Proposals

The Mayor and City Council reviewed the proposals offered by the City and the Union during the bargaining sessions and found that the negotiation session held on February 15, 2024, produced the last offer on wages and other economic demands from the City and from the Union prior to the Parties reaching impasse. Under Ordinance No 2017, Section 13-13 (b), the parties were required to reach an agreement on the terms of the Collective Bargaining Agreement no later than February 1, 2024. However, two additional bargaining sessions were held on February 8, 2024 and February 15, 2024 demonstrating a desire by the Parties to reach an agreement on wages and other economic demands. The Union presented in its March 25, 2024, submission to the City Clerk and during the hearing on April 1, 2024, a proposal with the City paying 5.0% pay increase on July 1, of each year of the contract and a 2.5% step increase each year up to year twenty (20) for a proposed three (3) year contract. However, this new proposal was never submitted to the City for consideration. The Mayor and City Council did not think it was proper to insert itself in the negotiations of the Parties by bridging the gap between the Parties and coming up with a compromise decision. Consequently, the Mayor and City Council did not view this Union proposal as a valid option for decision and only considered the proposals of each party submitted as of February 15, 2024.

DECISION

The matter before the Mayor and Council was to decide if they would find in favor of the Employer at a 5% total wage increase or the Employee Organization at a 9.5% total wage increase. The City Council voted with four (4) yes votes and one (1) abstention to approve

the Employer proposal of a 5% total wage increase. The Mayor concurred with the decision of the City Council.

ATTEST:

SARAA. GREEN, CPM, CMC
City Clerk

JAMES KOLE
President of the City Council

APPROVED this ____ day of _____, 2024.

KEITH R. SYDNOR
Mayor