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Suttle wins support on deal's timing

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Omaha Mayor Jim Suttle said critics of the union deal's timing are the same people who "consistently" oppose his initiatives.

LINCOLN — A key state senator and the head of Nebraska's association of cities defended Omaha Mayor Jim Suttle Wednesday, saying it wasn't inappropriate to reach a tentative agreement with the firefighters union a day before legislative approval of a landmark bill affecting collective bargaining.

Waiting wouldn't have made a difference, said Omaha Sen. Steve Lathrop, the main sponsor of Legislative Bill 397, and Lynn Rex, head of the League of Nebraska Municipalities.

In fact, they said, expected passage of LB 397 likely influenced the negotiations anyway. Firefighters were well-aware that the new law would provide additional leverage for cities in labor negotiations, Lathrop and Rex said.

"The fact that the City of Omaha didn't wait doesn't concern me," said Lathrop. "The new criteria in the bill clearly influenced the decision they made."

Gov. Dave Heineman and other officials had criticized Suttle for announcing the deal on Tuesday, one day before state senators unanimously approved the bill overhauling the state labor court that decides collective bargaining disputes.

LB 397, approved 48-0, takes effect Oct. 1.

Heineman said Suttle should have waited for the law and its stronger cost-control measures to go into effect.

Omaha Sen. Beau McCoy, who was involved in final negotiations on the bill, agreed.

"I don't understand why we wouldn't wait for the new rules to go into effect," McCoy said.

But Rex said the Commission of Industrial Relations can't directly alter pension benefits, which are at the heart of Omaha's financial difficulties.

It benefits taxpayers to make a deal with the firefighters as soon as possible, because the city's unfunded pension liabilities were rising by \$126,000 a month, she said.

"The sooner this gets resolved the better," Rex said.

Suttle also sought Wednesday to defend his decision, issuing a statement that the fire contract accomplished through negotiations what the CIR can't do — order changes in pensions, raise the retirement age and end the practice of "spiking" retirement benefits.

"LB 397 has already played an important role in our negotiation process ... in leveraging and achieving a contract that protects the taxpayers' interests while maintaining the city's commitment to high quality public safety," the mayor said.

He said the criticism came from those who "consistently" oppose his initiatives.

LB 397 was the product of months of testy negotiations between representatives of public employee unions and the state's municipalities.

Participating from the outset in the talks were Lathrop and Sens. Brad Ashford of Omaha and Dennis Utter of Hastings. As the end of the legislative session neared, the discussions expanded to include leading business groups, state education associations and an aide to Heineman.

Many officials credited Lathrop, a leading Democrat in the officially nonpartisan Legislature, for mediating the negotiations on the bill. Speaker of the Legislature Mike Flood, a Republican from Norfolk, also was cited for helping push negotiations over the finish line.

LB 397 provides stricter guidelines to the CIR and requires it to consider more factors — including pension and health care benefits — when deciding what is fair compensation for police officers, teachers, college professors and others who work for state and local government.

The CIR now will arrive at a wage that is within 98 percent to 102 percent of the prevalent wage paid for similar jobs instead of finding a strict midpoint. During times of recession, that range expands to 95 to 102 percent, reflecting government's diminished ability to spend when tax receipts are down.

Business and government groups say that change will give officials more flexibility in managing their labor costs, should slow the growth of wages and will influence negotiations that don't reach the CIR.

"In the end, the bill was a thoughtful way of resolving the issues without resorting to the hysterical 'eliminate collective bargaining' positions you saw in other states," Lathrop said.

Unlike Ohio or Wisconsin where collective bargaining rights were severely curtailed, Nebraska's public employees retained their rights to bargain on issues of wages, benefits and working conditions. An impartial, third party will continue to decide impasses.

"As a whole, the legislation will be workable," said Ken Mass of the Nebraska State AFL-CIO. "If there's a good relationship between the employer and the union, it's going to work out fine."

After initially threatening to veto the bill, Heineman said he would sign LB 397 into law after provisions sought by the Omaha, Lincoln and Nebraska Chambers of Commerce — particularly the 98-102 wage range — were included.

Lincoln Sen. Tony Fulton, who has been active on the CIR issue, said the range will provide needed flexibility for government to control its spending.

Fulton and Rex said they were disappointed that one cost-saving proposal wasn't included in the final bill. It would have instructed the CIR to compare public-sector wages with those paid by private employers.

That provision was key, said Lincoln Mayor Chris Beutler.

In the end, however, business and labor groups couldn't agree on a process to obtain wage information that private businesses consider proprietary.

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