

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT BETWEEN  
THE PLEASANT TOWNSHIP BOARD OF TRUSTEES  
AND  
PLEASANT TOWNSHIP FIREFIGHTERS LOCAL #2937**

This is a Memorandum of Understanding and Agreement (the "Memorandum") entered into on or as of January 8, 2013 by and between the Board of Trustees of Pleasant Township, Franklin County, Ohio (the "Township") and the Pleasant Township IAFF Local No. 2937 (the "Union").

**Background**

The Township and Union are parties to a Collective Bargaining Agreement (the "Agreement") which expires on December 31, 2014. As a result of the conclusion of the collective bargaining negotiations and the resulting Agreement entered into by and between the Township and the Union, the parties desire, by this Memorandum, to set forth their full and complete understandings with respect to the handling of the paramedic incentive and the service credit compensation set forth in the Agreement for purposes of computing overtime compensation.

**Agreements and Understanding**

The parties, being in agreement with the background explanation and understandings set forth above, hereby further agree as follows:

**1. Nondiscretionary Bonuses.** The parties agree the paramedic incentive contained in Section 31.4 of Article 31 and the service credit compensation in Article 32 are nondiscretionary bonuses and under the Fair Labor Standards Act, must be included along with other earnings to determine an employee's regular rate on which overtime pay must be computed. The parties further agree that in the event a Member qualifies for either the service credit compensation or the paramedic incentive the appropriate amount will be added to the Member's regular rate of pay for purposes of computing overtime.

**2. Calculation.** The parties agree that since there are some conditions on receiving the bonuses (i.e. for example, employment with the Township on the Member's anniversary date prior to June 1 of each calendar year after 5 years of service), the bonuses may be disregarded, temporarily for overtime purposes. The parties further agree that once a bonus has been paid, the Township will apportion the bonus over the work weeks of the period during which the bonus was earned by the employee. Members will then receive an additional amount of compensation for each workweek that the Member worked overtime. This is determined by dividing the bonus amount by the hours of work during the time period and multiplying the average hourly bonus amount by one-half times the employee's overtime hours during the time period. The parties acknowledge that the following formula will be used:

a. Divide the amount of the bonus by 2,756 hours (i.e. the hours the employee is anticipated to have been schedule to work during the prior year) and obtain average hourly amount.

$$\text{Amount of bonus}/2,756 = \$.00 \text{ (average hourly rate)}$$

b. Multiply the numbers of overtime hours worked in the year by the average hourly rate amount divided by half-time to obtain the amount of compensation due.

$$\text{Number of overtime hours} \times (\$.00 \div 2) = \text{total compensation due.}$$

The parties further understand and acknowledge that the period during which the paramedic incentive would be earned is the entire year, from August 1 through July 31 of the preceding year, prior to the payment. The period during which the service credit compensation would be earned is the entire year, from June 1 through May 31 of the preceding year, prior to the payment.

**3. Example Calculations.** Based upon the above understandings and agreements, by way of illustration, assume that a firefighter has been employed with the Township for 5 years with anniversary date of April 1. Effective January 1, 2012, that firefighter is earning \$57,114.73 in annual wages. That same firefighter would also be entitled to receive a \$500.00 service credit bonus based on his fifth year anniversary date which occurs before June 1, 2012. According to the Agreement that payment to the firefighter occurs on June 1, 2012. At the next pay period, the Township would apportion the service credit bonus over the work weeks of the period in which the bonus was earned. In this case, it would be June 1, 2011 through May 31, 2012. In order to calculate the amount owed, the Township would use the following formula:

a. Divide amount of bonus by 2,756 (i.e. the hours the employee is anticipated to have been scheduled to work during prior year).

$$2,756 \text{ hours}/\$500.00 = \$0.18$$

b. Assume that in the past year (June 1, 2011 – May 31, 2012) the employee worked 80 hours of overtime.

$$80 \text{ OT hours} \times (\$0.18 \div 2) = \$7.20$$

The firefighter receives an additional \$7.20 in overtime compensation for the prior year based upon the service credit bonus. The additional amount of overtime compensation for the 80 hours is only equal to one-half of the hourly rate of pay allocable to the bonus multiplied by the number of overtime hours worked.

To further illustrate, that firefighter also is entitled to receive a \$750.00 paramedic incentive on September 1, 2012 provided the firefighter maintained his State of Ohio paramedic certification for the preceding 12 month period. At the next pay period, the Township would need to

apportion the paramedic incentive over the work weeks of the period in which the bonus was earned. In this case, it would be August 1, 2011 through July 31, 2012. In order to calculate the amount owed, the Township would use the following formula:

a. Divide amount of bonus by 2,756 (i.e. the hours the employee is anticipated to have been scheduled to work during prior year).

$$2,756 \text{ hours}/\$750.00 = \$0.27$$

b. Assume that in the past year (August 1, 2011 – July 31, 2012) the employee worked 80 hours of overtime.

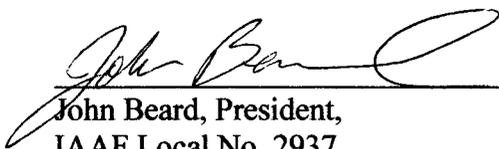
$$80 \text{ OT hours} \times (\$0.27 \div 2) = \$10.80$$

The firefighter receives an additional \$10.80 in overtime compensation for the prior year based upon the paramedic incentive. The additional amount of overtime compensation for the 80 hours is only equal to one-half of the hourly rate of pay allocable to the bonus multiplied by the number of overtime hours worked.

4. **Effective Date.** This Memorandum shall be effective on the date entered into above and the Township shall, commencing with the payment of the service credit compensation in June of 2013 and the paramedic incentive in September of 2013, add the appropriate amount of such bonuses, if any, to the Member's regular rate of pay for purposes of computing overtime as set forth in this Memorandum.

**IN TESTIMONY WHEREOF**, the authorized representatives of the parties have signed this Memorandum on or as of the date first stated above.

**FOR THE UNION:**

  
\_\_\_\_\_  
John Beard, President,  
IAAF Local No. 2937

**FOR THE TOWNSHIP:**

  
\_\_\_\_\_  
Nancy Hunter, Chairman,  
Pleasant Township Board of Trustees