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STATE OF OHIO
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In the Matter of Fact-Finding :
Between : SERB Case Number:
INTERNATIONAL ASSOCIATION OF : 01-MED-09-0846
FIRE FIGHTERS, LOCAL 1792, :
Union : Date of Fact-finding Hearing:
and : April 22, 2002
CITY OF GRANDVIEW HEIGHTS, :
Employer : Howard D. Silver
Fact-Finder

REPORT AND RECOMMENDATION OF FACT-FINDER

APPEARANCES

For: International Association of Fire Fighters, Local 1792,
Union

Henry A. Arnett, Esquire
LIVORNO AND ARNETT CO., LPA
Attorneys at Law
280 North High Street, Suite 1410
Columbus, Ohio 43215

For: City of Grandview Heights, Employer

Donald L. Keller, Esquire
BRICKER & ECKLER LLP
Attorneys at Law
100 South Third Street
Columbus, Ohio 43215-4291

This matter came on for fact-finding hearing on April 22, 2002, at 1:00 p.m., in the Grandview Heights Municipal Building, 1016 Grandview Avenue, Grandview Heights, Ohio. Both parties were afforded a full and fair opportunity to present evidence and arguments in support of their positions. The record hearing concluded at 3:00 p.m. on April 22, 2002. At the conclusion of the record hearing it was understood by the fact-finder and the parties that the record of the fact-finding conference was closed.

On May 2, 2002, the employer directed correspondence to the fact-finder and to the union's representative which declared that the city of Grandview Heights's general fund revenues for calendar years 1999, 2000, and 2001, and its budgeted 2002 general fund revenues, as presented in an exhibit by the city of Grandview Heights at the fact-finding conference on April 22, 2002, were mistaken, as they were created by a very new chief financial officer for the city of Grandview Heights who, when he created the document, was very new to his position and very new to the computer systems used to produce the exhibit. The employer's representative, in his correspondence of May 2, 2002 to the fact-finder and to the union representative, reports that certain interdepartmental money transfers were included in general revenue figures, inflating these figures significantly, presenting materially inaccurate numbers concerning the general revenues available to the city of Grandview Heights for calendar years 1999, 2000, 2001, and budgeted for 2002. Enclosed with the letter of May 2, 2002 from the employer's representative are revised figures for calendar years 1999 through

2002, and a motion that the revised figures be considered by the fact-finder instead of the figures presented at the fact-finding conference.

On May 10, 2002, the union representative issued correspondence to the fact-finder and the employer's representative noting receipt of the revised figures presented by the employer's representative. The union's representative notes many changes having been made and states that the union is unable to reconcile many of the new figures with figures contained in other official financial documents received from the city of Grandview Heights. The union points out that there is no authority for supplementing the record after the close of the hearing, objects to the introduction of the revised exhibit, and urges that the fact-finder not consider the revised figures in the preparation of the fact-finder's report and recommended language.

Fact-finding, as authorized by Ohio law, is a nonbinding procedure, a process through which compromises are suggested to the parties but not imposed upon them. The chances of successfully suggesting compromises to the parties are lessened when grounded upon inaccurate financial data. Neither party is well-served in this process by recommended language from the fact-finder based on mistaken information.

The revised figures provided by the employer's representative on May 2, 2002, ten days after the conclusion of the fact-finding conference, present two obstacles to their consideration by the fact-finder. First, the parties were afforded an opportunity to

present evidence and arguments at a hearing convened before the fact-finder on April 22, 2002, a proceeding wherein evidence and arguments could be supported and challenged by parties participating in the fact-finding conference. The opportunity to question exhibits presented at a hearing is fundamental to the admission of exhibits to the record of that proceeding. The employer presented revenue figures which were available to be challenged or questioned by the union at the hearing and these figures were admitted as Employer's Exhibit 5. The presentation of revised figures on May 2, 2002 has afforded the union no opportunity to confront this evidence in terms of its validity. The record in this case was closed at the conclusion of the fact-finding conference on April 22, 2002, at 3:00 p.m. To allow an exhibit of this significance to be substituted for the one that was presented at the hearing, ten days after the conclusion of the hearing, is an allowance that does not comport with the due process or fairness to be extended to each of the parties in a proceeding of this type.

A second problem with a consideration of the revised figures presented by the employer is that there is nothing inside or outside of the record which shows the revised figures to be more accurate than the original figures presented at the fact-finding conference. The fact-finder has no reason to disbelieve the employer's representative's statements as to the greater accuracy provided by the revised figures and the fact-finder harbors no doubts as to the sincerity underlying this claim.

The fact-finder, however, also has no reason to doubt the union's claim that the revised figures do not reconcile with other information in the possession of the union, supporting a refusal by the fact-finder to consider the revised figures.

The fact-finder finds himself constrained from considering the revised figures presented by the employer following the conclusion of the fact-finding conference. This determination is based on notions of fairness to both participants in this process and an attempt by the fact-finder to produce recommended language acceptable to the parties based upon a fact-finding procedure that comports with generally recognized and accepted standards of due process and evidentiary procedure. Accordingly, and pursuant to a sustaining of the union's objection as to the admission of the revised figures, the fact-finder will consider the figures presented at the fact-finding conference on April 22, 2002, and will not consider the revised figures presented by the employer on May 2, 2002, the latter figures presented after the record of the fact-finding conference had been closed.

ISSUE

What shall be the language recommended by the fact-finder to the parties for those articles not agreed by the parties for inclusion in the parties' successor collective bargaining agreement?

BACKGROUND

The parties to this fact-finding, the International Association of Fire Fighters, Local 1792, the union, and the city of Grandview Heights, Ohio, the employer, were parties to a predecessor collective bargaining agreement in effect from January 1, 1999 to December 31, 2001. The parties have engaged in bargaining for a successor agreement, bargaining which has been successful in reaching tentative agreements concerning all but three articles to be included in the parties' successor agreement. The articles not agreed by the parties to date, the subjects of the fact-finder's fact-finding and recommendations, are articles addressing insurance, wages, and a sick leave donation program which would be new to the bargaining unit.

Under the terms of the parties' predecessor agreement, the bargaining unit is comprised of all full-time employees employed by the city of Grandview Heights, Ohio, in the classifications Firefighter EMT Ambulance, Firefighter, Firefighter EMT Paramedic, and Fire Captain . In the wages portion of the parties' predecessor agreement, the wage schedule is divided among Firefighter/Paramedic (Trainee), Firefighter/Paramedic 1, Firefighter/Paramedic 2, Firefighter/Paramedic 3, and Captain/Medic. Through bargaining the parties' successor agreement, the parties reached agreement that the bargaining unit description and wage schedules in the successor agreement shall be Fire Medic Trainee, Fire Medic, and Fire

Captain. The bargaining unit does not include the Fire Chief or Assistant Fire Chief.

At the time of the fact-finding hearing, the bargaining unit was comprised of eleven Fire Medics and four Fire Captains. The fire division's authorized complement of personnel is twelve Fire Medics and four Fire Captains. One position in the bargaining unit is open due to the retirement of a Fire Medic in April, 2002; one Fire Medic position is unfilled due to its incumbent's service with the National Guard, a commitment that may extend until December, 2003. The position of the Fire Medic on National Guard duty has not been filled on a temporary basis.

A requirement of service in the bargaining unit is possession of a state of Ohio emergency medical technician-paramedic certificate, and this certificate must be maintained for continuing employment in the bargaining unit. The requirement of a paramedic certificate has applied continuously since 1984.

DISCUSSION AND RECOMMENDED LANGUAGE OF UNAGREED ARTICLES

Article 24 - Insurance

The parties agreed to a deletion of language within Article 24, section 24.1, in the predecessor agreement, specifically references to certain health plans or their equivalents, and agreed to add language establishing an insurance advisory committee consisting of a union representative, a Fraternal Order of Police

representative, and a representative of exempt city of Grandview Heights's employees.

The fact-finder recommends the language as agreed by the parties for section 24.1 of Article 24 in the parties' successor agreement.

The parties also agreed to the deletion of certain language in section 24.4(A) of their predecessor agreement which reads: "...as long as the level of benefits remains substantially the same." This deletion was agreed by the parties and is recommended by the fact-finder.

The dispute between the parties as to Article 24, Insurance, is focused upon section 24.2, entitled Health and Dental Care Insurance Premiums. The language in this section of Article 24 in the parties' predecessor agreement provides that the employer pay 100% of the monthly premiums for single and/or family coverage for bargaining unit members for health care, dental, and vision programs.

While the union proposes retaining unchanged the language of section 24.2 of the parties' predecessor agreement, the employer proposes a change to this language which would require a monthly copayment from a bargaining unit member for the single or family insurance coverage provided to that bargaining unit member by the employer. The employer's proposal would require a bargaining unit member receiving single coverage, effective May 1, 2002, to pay \$15.62 per month, while a bargaining unit member receiving family coverage would be required to pay \$46.53 per month. The employer's

proposal would require, effective March 1, 2003 and thereafter, that the employer and the bargaining unit member share equally in any increases or decreases in monthly premium costs. The employer's proposal includes securing a bargaining unit member's monthly premium payment through payroll deduction, and a promise by the employer to maintain a section 125 plan that comports with current Internal Revenue Service regulations such that all members shall be eligible for participation in this section 125 plan. Participation in this plan would allow the deduction of the monthly premium payments by bargaining unit members in pre-tax dollars. The language as proposed by the employer for section 24.2 would obligate the employer to pay \$290 per month for single coverage and \$800 per month for family coverage, and one-half of any increases to these coverage amounts effective March 1, 2003.

The employer reminds the fact-finder that exempt employees of the city make copayments for health and dental coverage similar to those proposed by the employer for this section of Article 24. The employer points out that the Fraternal Order of Police bargaining unit members also make contributions for their health and dental coverage, and the bargaining unit represented by the union in this case is the only group of city employees which is not required to contribute to the costs of their medical, dental, and vision coverage. The employer notes that exempt employees began making copayments for health and dental coverage in 1995, and police officers represented by the Fraternal Order of Police employed by

the city of Grandview Heights have been making contributions for health and dental coverage since March, 1996.

The employer reminds the fact-finder that contributions from bargaining unit members for health and dental coverage is not a new issue to the parties; it was the subject of bargaining in 1995 in negotiations which led to the parties' predecessor agreement. This issue was presented to a fact-finder in 1996 (the undersigned fact-finder in this case) and the fact-finder found so little change in the costs of health and dental coverage at that time that the fact-finder found insufficient grounds to recommend a change in the payments for health and dental coverage. The fact-finder's recommendation in that case was upheld by a conciliator who was presented with this issue in the conciliation proceeding which led to the formation of the predecessor agreement.

The employer notes that while health care costs changed little between 1993 and 1996, presenting only a 1.5% increase in 1995, there have been dramatic increases in health care costs since that time. The employer emphasizes that the city utilizes one pool of participants for purposes of health and dental coverage provided by the city and the coverage is the same for all, whether exempt or non-exempt.

The employer notes that in 1996, single coverage cost \$171.75 per month, while it now costs \$305.62 per month, a 77.9% increase. The employer notes that in 1996, family coverage cost \$477.25 per month, and in 2002 this coverage costs \$846.53 per month, an increase of 77.4%. The employer notes that the costs for health

insurance rose 14% from 2001 to 2002, and costs are expected to go up. The employer emphasizes the changed circumstances facing the city in providing health and dental coverage substantially similar to that which has been provided in the past.

The employer notes that among eleven other fire fighting departments in Franklin County, eight are required to make contributions for single or family health coverage. The employer notes that the Westerville fire fighters contribute 10% of the monthly cost for this insurance, and other fire departments contribute within a range of \$7.50 to \$20.00 for single coverage and within a range of \$15.00 to \$50.00 for family coverage. The employer points out that it is attempting to minimize the financial impact upon bargaining unit members of this proposed contribution through a pre-tax payment program which would deduct this contribution from net earnings prior to taxing the earnings.

The employer recognizes that its proposal for a monthly copayment among bargaining unit members to help meet the costs of providing health and dental coverage is a significant change from what was required by the parties' predecessor agreement. The employer believes, however, that its proposal is in accord with recognized and accepted norms within the public sector, and in accordance with how all employees not within the bargaining unit at issue in this case have been treated by the city in this regard. The employer claims that the time has now come for the members of the fire fighting bargaining unit to make similar contributions in

support of health and dental coverage for themselves and their families.

The union opposes the monthly contributions suggested by the employer for section 24.2 of Article 24, contending there is no need for this significant change to language previously agreed by the parties for inclusion in their predecessor agreement. The union points out that under the employer's proposal, the two single coverage bargaining unit members, over twelve months, would together expend \$374.88, and the thirteen bargaining unit members receiving family coverage would together expend \$7258.68 over twelve months, for a total additional cost to these bargaining unit members, for twelve months, of \$7633.56. The union claims that this \$7633.56 is affordable by the employer and the employer has presented no good reason for the fact-finder to recommend that the employer be authorized to take money earned by bargaining unit members out of the pockets of these bargaining unit members in the amounts proposed by the employer.

The union points to Union Exhibit 1 which presents a comparison of insurance contributions among eight fire fighter departments in Franklin County, within Norwich Township, Westerville, Washington Township, Whitehall, Worthington, Columbus, Upper Arlington, and Grandview Heights. A number of these departments are part of a strike team comprised of departments located in the northwest region of Franklin County. Through the strike team, participating departments pool resources and address hazardous material spills through mutual agreements. Whitehall is

not a part of the strike team nor is Columbus. The largest community within the strike team is Westerville.

After excluding Grandview from the departments presented on Union Exhibit 1, the average of the remaining seven departments, in terms of contributions for health and dental coverage on a monthly basis, is \$13.34 for family coverage and \$5.52 for single coverage.

The union notes that fact-finding proceedings leading to earlier collective bargaining agreements between the parties resulted in no copayment language, and the union points out that the copayments proposed by the employer for section 24.2 of Article 24 greatly exceed the averages presented on Union Exhibit 1. The union argues that while Grandview Heights's fire fighters are at the bottom of wages paid to fire fighters in Franklin County, under the employer's proposal, these lowest paid fire fighters would be required to pay the most for health insurance. The union believes that to demand contributions from bargaining unit members for monthly health care coverage costs, the fire fighters should be among the top paid fire fighters in the region, not the lowest.

The union argues that the police employees within a bargaining unit negotiating with the city of Grandview Heights has jumped ahead of the fire fighters in terms of wages, and the extra pay provided to the police employees in that bargaining unit provides the extra pay needed to contribute to health coverage costs.

The union points out that the increase in health insurance costs as proposed by the employer, effective March 1, 2003, are to be shared equally by the employer and the bargaining unit member,

and these costs are not capped. The union points out that the increases could be more than 10%, and contends that there is no justification for the \$7,633.52 out of pocket payments proposed by the employer through section 24.2 of Article 24.

In response, the employer points out that a comparison of copayments for health and dental coverage in other fire fighter jurisdictions shows that the bargaining unit in this case is out of step with how other fire fighters in other jurisdictions are assisting in meeting the costs of their health and dental coverage. The employer points out that this difference is especially noticeable when one considers the police bargaining unit and exempt employees of the city of Grandview Heights, and compares their contributions to the absence of contributions required of the bargaining unit addressed by this proceeding.

This fact-finder, in 1996, in a prior fact-finding proceeding between these parties, declined the employer's proposal for a monthly copayment from bargaining unit members for health and dental coverage because in 1996 health care costs were flat and there were no increased costs to point to in support of the contributions from bargaining unit members then sought by the employer. Six years later health care costs are no longer flat but have increased significantly. The increased financial burden upon the employer to meet the increased costs of providing substantially similar coverage to bargaining unit members is borne out by the evidence presented and is not disputed by the union. The fact-finder cannot ignore the substantial increased costs which must be

met to provide health, dental, and vision coverage to bargaining unit members and their families.

The concept of a shared responsibility for the costs of health and dental insurance by both bargaining unit members and the employer is one which is well-known in the public sector and a concept which recognizes the importance of this benefit and the increased costs necessary to providing this coverage. When the fact-finder considers other fire departments in Franklin County he finds most are required to contribute to monthly costs for health care coverage. When the fact-finder considers city of Grandview Heights employees outside of the bargaining unit addressed by this proceeding, the fact-finder finds that all of them contribute for their health care coverage and are within the same pool of insureds as the bargaining unit members addressed by this proceeding.

The monthly contributions proposed by the employer, effective May 1, 2002, amount to 5.11% of the monthly costs for single coverage and 5.5% of the monthly cost for family coverage. The fact-finder understands the fairness in requiring a larger monthly contribution from a bargaining unit member who avails himself of family coverage than of a bargaining unit member who avails himself of single coverage, but the increased costs to the family coverage bargaining unit member is accounted for through a percentage of a higher monthly cost. There does not seem to be a reason to require a bargaining unit member receiving family coverage to pay a higher percentage of that cost than the bargaining unit member receiving single coverage.

The fact-finder recommends that bargaining unit members be required to contribute in the amount of 5% of the monthly cost for health and dental coverage. The fact-finder finds the 5% figure to be reasonable and fair in the face of the substantial costs necessary to provide this benefit and in comparison to non-bargaining unit employees in the insurance pool used to provide these benefits to members of the bargaining unit addressed by this proceeding. A 5% monthly contribution would require \$15.28 per month for single coverage and \$42.33 per month for family coverage.

As to increases in these costs which may occur on March 1, 2003, the fact-finder declines to recommend the 50/50 contribution among the employer and the bargaining unit member for any increases or decreases occurring on that date for health care coverage. There seems little doubt that if a change occurs on March 1, 2003, it will not be a decrease in the cost for health coverage. In the likely event that an increase occurs on March 1, 2003, the 5% contribution by the bargaining unit member, whether for single coverage or family coverage, would be applied to the new amount and an adjusted monthly contribution reflecting the increase in costs, if any, would be included in the revised monthly contribution from the bargaining unit member.

The language recommended by the fact-finder for section 24.2 of Article 24 would change significantly the relationship of the parties under previous contracts which reserved to the employer, exclusively, the obligation to pay for medical, dental, and vision coverage for bargaining unit members. The recommendation by the

fact-finder to change this system of paying for these health care costs is an important change and one which is not casually recommended by the fact-finder. The fact-finder believes that health care coverage is so important to bargaining unit members that it deserves strong action in support of it, but with significantly higher costs, it seems eminently fair that those who benefit directly from this coverage share in some way in meeting the costs of this coverage. The 5% contribution recommended by the fact-finder is a modest amount compared to the 95% of the cost which is to remain the responsibility of the employer under this recommended language, and would keep the copayment at 5% in the event increases should occur in the costs of providing this benefit during the term of the parties' successor agreement.

RECOMMENDED LANGUAGE - Article 24, Insurance

Section 24.1. Insurance. The City shall offer a group health care and dental care insurance program to members. The health care insurance program shall include hospitalization, surgical, major medical, prescription drug, dental care, vision and an employee assistance program. An insurance advisory committee shall be established consisting of one (1) representative selected by the Union, one (1) representative selected by the Fraternal Order of Police, and one (1) representative of the non-represented City employees. During the last quarter of each calendar year, the committee shall meet with the Director of Finance to confer, review proposals and provide input for the group health care, vision and dental care programs being considered by the City for the following calendar year. The City shall select the group health care, vision and dental plans and the carrier(s). The coverage and benefits shall be substantially similar to those in effect on December 31, 2001. The City shall provide plan enrollment forms and benefit information.

Section 24.2. Health and Dental Care Insurance Premiums. Effective May 1, 2002, the City shall pay 95% of the monthly cost per member for single coverage and 95% of the monthly cost per member for family coverage. The member shall pay 5% of the cost per month for single coverage or 5% of the monthly cost for family coverage, for the health care, dental and vision programs. Members' premium payments shall be made by payroll deduction. The City will maintain a Section 125 plan that conforms with current IRS regulations, and members shall be eligible for participation in the Section 125 plan.

Section 24.3. Life Insurance. The City shall provide \$50,000 group term life insurance protection for each member. The City shall pay 100% of the premium for this coverage.

Section 24.4. Insurance-General Provision

A. With respect to all insurance coverage provided to employees, the City retains the right to change insurance carriers or self-insure all or any portion of the benefits.

B. A difference between an employee (or his/her beneficiary) and the insurance carrier(s) or the processor of claims shall not be subject to the grievance procedure provided for in any collective bargaining agreement between the City and the Union. The City will, however, designate representatives who will be available for consultation with claimant employees (or with a designated Benefit Claim Representative of the Union), so that a full explanation may be given with respect to the basis of disposition of claims.

C. The failure of any insurance carrier(s) to provide any benefit for which it has contracted shall result in no liability to the City or to the Union; nor shall such failure be considered a breach by the City or the Union of any obligation undertaken under this or any other agreement. Nothing in this Agreement, however, shall be construed to relieve any insurance carrier from any liability it may have to the City, Union, employee or beneficiary of any employee.

The terms of any contract or policy issued by an insurance carrier shall be controlling in all matters pertaining to benefits thereunder.

Section 24.5. Non-Duplication of Benefits.

A. In the event any employee or dependent is entitled to benefits under any employee group insurance plan, employer's self-insurance plan, or governmental plan providing benefits similar or identical to the benefits payable under the Group Insurance Plan covered by this Agreement, the benefits that would be payable under this Group Insurance Plan shall be reduced by the amount necessary, if any, so that the sum of all benefits payable under this Group Insurance Plan and under any other plan shall not exceed the amount provided for under this Group Insurance Plan. If the said other plan contains a provision for non-duplication of benefits, the plan or program insuring the individual as an employee (as distinguished from a dependent) will be considered primary, and in the case of children, the plan or program insuring the employee parent will be considered primary.

B. The benefits provided for under the Group Insurance Plan covered by this Agreement shall be in substitution for any and all other plans providing hospital, medical, surgical, sickness, death, etc., benefits. It is intended that the benefits provided by the Group Insurance Plan covered by this Agreement shall comply with and be in substitution for any provisions for similar benefits which are provided under any law not now in effect or hereafter in effect. If any benefits of a similar nature to those provided in this Agreement are required under any law now in effect or hereafter in effect and the benefits provided in this Agreement are required under any law now in effect or hereafter in effect and the benefits provided by the Group Insurance Plan covered by this Agreement are not considered in substitution therefor, the benefits provided for under the Group Insurance Plan covered by this Agreement shall be reduced by the amount of such benefit provided under such law.

Section 24.6. Availability of Group Coverage. Group coverage shall become available to new members of the bargaining unit upon their application, after they have completed thirty (30) days of employment with the City, as of the beginning of the following month or as soon thereafter as coverage under the City's policies can be effectuated.

Article 25 - Wages and Benefits

The only dispute between the parties as to wages and benefits within Article 25 of their successor agreement relates to the

amount of annual wage increases for each of the three years of the successor agreement. The union proposes a 6% wage increase for each of the three years of the successor agreement; the employer proposes a 3% wage increase for each of the three years of the successor agreement.

In support of its 6%-6%-6% wage proposal, the union presents a newspaper article from The Columbus Dispatch dated February 6, 2002, entitled "Area's hourly wage up by 7.6 percent." This article, by Mark Niquette, Dispatch Business Reporter, states that low unemployment and a large number of white-collar jobs in central Ohio helped boost hourly wages in the region by 7.6% last year, according to a federal survey. This article provides that service workers, who include police and firemen, food and health-service personnel and janitors, had the largest percentage increase from 2000 to 2001. A chart in this article claims that the percentage of wage increase for service employees from 2000 to 2001, in central Ohio, including Franklin, Delaware, Fairfield, Licking, Madison, and Pickaway Counties, was 11.6%.

The union presented Union Exhibit 3 which compares city of Grandview Heights annual salary and pension pickup for top pay police officers and top pay fire fighters, for years 1996 through 2001. According to these figures, Grandview Heights's fire fighters are 3.564% behind the wages for police officers. The union notes that Union Exhibit 3 shows a 4.406% increase would be necessary to restore the advantage in wages fire fighters enjoyed in 1996 and 1999.

Union Exhibit 4 presents the wages paid to top fire fighters, including supplemental pay for medic certification, in Columbus, Norwich Township, Upper Arlington, Washington Township, Westerville, Whitehall, Worthington, and Grandview Heights. Also included in these figures are pension pick-up amounts. Excluding Grandview Heights, the average total salary, including supplemental pay for medic certification and pension pick-up amounts, among the seven departments presented, is \$52,675 in annual salary, at an hourly rate of \$19.11. This exhibit shows that Grandview Heights fire fighters receive no supplemental compensation for medic certification, and accounting for pension pick-up, have an annual salary of \$49,528, with a total hourly wage of \$17.01. This exhibit shows that the annual salary of top paid fire fighters employed by the city of Grandview Heights is \$1,719 less than the next lowest jurisdiction, Whitehall, Ohio. The union notes that the wages for top paid fire fighters employed by the city of Grandview Heights in 2001 was 6.4% below the average annual salary presented by this exhibit and the hourly wage for Grandview Heights fire fighters is 12.3% below the average. The union emphasizes that the fire fighters who are the subject of this fact-finding proceeding are the lowest paid fire fighters in Franklin County.

Union Exhibit 5 shows that even with the union's proposed wage increase of 6%-6%-6%, Grandview Heights fire fighters would remain the lowest paid fire fighters among the eight fire fighting jurisdictions presented. The union's proposal would slightly decrease the gap between Grandview Heights fire fighters and other

fire fighters presented on this exhibit, but the Grandview Heights fire fighters would remain 4.5% below the average annual salary and 10.4% below the average hourly wage presented on this exhibit.

The union argues that the employer's proposal would exacerbate the gap between Grandview Heights fire fighters' wages and other fire fighters in Franklin County. Under the employer's proposal, argues the union, Grandview Heights fire fighters would fall 7.4% below the average salary and 13.6% below the average hourly wage.

Union Exhibit 6 is from ThisWeek, a community newspaper in Grandview Heights, presenting a report of the Mayor of Grandview Heights's state of the city address. This article, dated March 13, 2002, presents the Mayor of the city of Grandview Heights as saying that the city "remains in excellent condition," and "With city services as outstanding as these, no wonder Grandview Heights enjoys the reputation as the place to be...We are one of the most desirable communities to live in and work in all of central Ohio. Keeping it that way is a serious business." Also within this article by staff writer Alan Froman, the Mayor is reported to have stated that financially the city is in excellent shape, saying: "We came in under budget again this year..."

Union Exhibit 7 compares the union's wage proposal to the employer's wage proposal. The union points out that the difference between the cost of the union's proposal and the cost of the employer's proposal is \$20,033.

Both parties agreed that the first wage increase under the parties' successor agreement would be retroactive to January 1, 2002.

The employer points out that its proposed wage increase of 3%-3%-3% over the term of the successor agreement, would result in wage increases to the bargaining unit members amounting to 9.27%. According to the employer, the union's proposed 6%-6%-6% wage increase would, over the term of the successor agreement, provide wage increases to bargaining unit members amounting to 19.0%.

The employer notes that it now pays 100% of the allowable pension pick-up, amounting to 10% of earned wages, while it only pays 3.5% of the pension pick-up for bargaining unit members represented by the Fraternal Order of Police. The employer notes that the city of Grandview Heights is a bedroom community with a population of only 7,000 residents, the smallest municipality in terms of population and square miles in Franklin County. The employer notes that the second smallest city in Franklin County is the city of Bexley, and the city of Bexley does not maintain a fire department. The employer notes that the city of Worthington, which does have a fire department, is a city of 15,000 residents.

The employer points out that there are cities in Franklin County which are growing and yet utilize township fire departments rather than maintain their own fire department. Examples provided by the employer are Hilliard, which uses the Norwich Township fire department, and the city of Dublin, which uses the Washington Township fire department. The employer notes that Grove City uses

the Jackson Township fire department and noted that the city of Whitehall has a population of about 20,000.

The employer notes that the city of Grandview Heights is landlocked, with no room to grow. The city of Grandview Heights is substantially developed with little land remaining for development. The city of Grandview Heights receives revenues through a 2% income tax, with the income tax providing 40% of city revenues. Property taxes provide about 20% of the city's revenues. The employer notes that an 8.3 mill levy was passed in 1998 which expires in December, 2003. The valuation of property affected by this levy, however, has been corrected downward so that greater revenues are not received due to the appreciating value of real estate. The employer projects growth from 2002 to 2006 in city revenues to be about 3% per year.

The employer points out, however, that city taxes were down in 2001 and notes that the region surrounding Columbus, Ohio is about eighteen months behind the nation's economic recovery. The employer contends that the city of Grandview Heights has been even more directly affected by the downturn in the economy nationally, regionally, and locally, because of the city's heavy reliance on its income tax.

The employer argues that the only reliable comparisons to be used in evaluating the competing wage increases proposed for the bargaining unit are comparisons of revenue streams, and whether those revenue streams are growing or are stagnant. The employer points out, for example, that the revenue base for the city of Grandview Heights is one-half of that of the city of Worthington.

The employer believes that the resources available to the city of Grandview Heights provide a true indication of what is available to support wage increases for bargaining unit members.

The employer claims that there is no basis upon which to find that the revenue stream enjoyed by the city of Grandview Heights today and over the next two and one-half years can support wage increases in the 5% to 6% range. The employer argues that a 3% per year wage increase over the duration of the parties' successor agreement can be supported, but emphasizes that insurance costs are up 14%.

In response, the union points to the last page of the employer's exhibits which presents general revenue funds from 1998 through 2001. The union notes that general revenue funds from 1998 through 2001 increased by 48% over these three years, reflecting a healthy revenue stream.

The union emphasizes that something must be done about the very low level of wages paid to Grandview Heights fire fighters in comparison to similarly situated fire fighters in other jurisdictions in Franklin County. The union points out that the parties are not arguing about hundreds of thousands of dollars, but about a difference between the parties of about \$30,000.

The union urges that the parties now have an opportunity for bargaining unit members to catch up in terms of reasonable wages.

In reply, the employer points out that the union's wage proposal costs the city, over three years, about \$180,000.

While the employer has provided specific numbers as to monies available to the general revenue fund from 1998 through 2002, the fact-finder takes notice, generally, of the fact that in 1998 the economy of the United States was robust, producing large surpluses to the benefit of political subdivisions at all levels - national, state, regional, and local. Whatever the particular numbers of general revenue funds available to the city of Grandview in 1998, there seems little doubt that at that time the economy was expanding, revenues were up, and there was no ostensible reason at that time to believe, other than historical reasons, that these happy times would not continue unabated.

We now know that in 1998 the economy was near its zenith and the nation was about to enter a downturn in economic growth leading to recession, producing a significant slowing in the revenues available to a political subdivision to operate.

The fact-finder keeps in mind that the general economic climate in which the employer must operate during the three years of the parties' successor agreement will include incremental increases in economic activity, with the state of Ohio lagging behind the nation's recovery somewhat. This conservative estimate about the economic circumstances faced by the employer during the term of the successor agreement constrains the fact-finder's impulses to grant larger wage increases to bargaining unit members to which they are otherwise deserving.

The fact-finder also keeps in mind that the fire fighters in the bargaining unit at issue in this fact-finding proceeding are,

using almost any standard or combination of factors for purposes of comparison, the lowest paid fire fighters in Franklin County. City of Grandview Heights's fire fighters are well below the average wage in Franklin County for similarly situated fire fighters, and the increase proposed by the union would not raise these employees above their lowest position, but would lessen the gap between the seventh lowest paid fire fighters and the Grandview Heights's fire fighters in eighth place.

The fact-finder keeps in mind that Grandview Heights's fire fighters must possess and maintain paramedic certification but are paid no supplemental compensation for this expertise. The fact-finder keeps in mind that this report recommends a 5% copayment by bargaining unit members for health care coverage, a contribution unknown under prior contracts. The fact-finder keeps in mind that the determination by the city of Grandview Heights to operate a fire department requires a reasonable wage among the employees employed to perform this dangerous and essential work.

The fact-finder recommends wage increases over the three years of the successor agreement to occur on December 26, 2001; December 25, 2002; and December 24, 2003, at 5%-4%-4%, respectively. These proposed increases add about 4% to the 9.27% increase proposed by the employer for the three years of the successor agreement. The wage increases proposed by the fact-finder, although slightly above increases which have been granted recently to other bargaining units in Franklin County, would serve to maintain Grandview Heights's fire fighters in their wages in relation to the lower end

of pay scales applicable to fire fighters in Franklin County, and these increases are found by the fact-finder to be affordable by the employer.

RECOMMENDED LANGUAGE - Article 25

Section 25.1. Wages

<u>Effective 12/26/01</u>	<u>Annual</u>	<u>Bi-Weekly</u>	<u>Hourly</u>
Fire Medic Trainee	\$31,884.93	\$1226.25	\$10.95
Fire Medic	\$47,276.24	\$1818.32	\$16.24
Fire Captain	\$54,367.68	\$2091.06	\$18.67

<u>Effective 12/25/02</u>	<u>Annual</u>	<u>Bi-Weekly</u>	<u>Hourly</u>
Fire Medic Trainee	\$33,160.90	\$1275.40	\$11.39
Fire Medic	\$49,167.29	\$1891.05	\$16.89
Fire Captain	\$56,542.39	\$2180.70	\$19.42

<u>Effective 12/24/03</u>	<u>Annual</u>	<u>Bi-Weekly</u>	<u>Hourly</u>
Fire Medic Trainee	\$34,487.34	\$1326.42	\$11.84
Fire Medic	\$51,133.98	\$1966.69	\$17.57
Fire Captain	\$58,804.09	\$2267.93	\$20.20

The hourly rate of compensation for annual salary shall be based on two thousand nine hundred twelve (2,912) hours per year.

Section 25.2. Longevity Pay. For all full-time permanent employees of the Division of Fire, there is hereby established a "longevity pay schedule" payment to employees for continuous service with the City, which payment shall be in addition to all other compensation received by such employees.

- a. After the fifth anniversary of the date of employment or appointment, and each anniversary date thereafter, the employees specified herein shall be eligible to receive longevity pay of \$400.00, plus \$40.00 per year for each subsequent year of employment. For example, the first payment of such leave shall be paid in December of the employee's sixth (6th) year of employment in the amount of \$600.00.
- b. Payment shall be in a lump sum, payable in December of each year. Longevity payment shall not be classified in regular hourly rate of overtime rate.
- c. The amount received shall be pro-rated from the anniversary date through December of that year.
- d. Wherever the anniversary date falls within the month, longevity will be paid for the entire month.

Section 25.3. Pension Pick-up.

- A. The City shall continue to pick-up (assume and pay) on behalf of the employee that portion of the employee contribution to the Police and Firemen's Disability and Pension Fund equal to ten percent (10%) of the employee's earned compensation, in lieu of payment by the employee. Any remaining portion of the employee contribution which exists shall continue to be paid by the employee.
- B. The provisions of Section 25.3(A) shall apply uniformly to all members of the bargaining unit, and no employee shall have the option to elect a wage increase or other benefit in lieu of the payment provided for herein. The City shall, in reporting and making remittance to the Fund report that each employee's contribution has been made as provided by statute.
- C. The sum paid hereunder by the City on behalf of the employee as specified in Section 25.3(A) is not to be considered additional salary or wages and shall not be treated as increased compensation. For purposes of computing the employee's earnings, or basis of his contribution to the Fund, the amount paid by the City on behalf of the employee as his statutory obligation, is intended to be and shall be considered as having been paid by the employee in fulfillment of his statutory obligation.
- D. For purposes of Section 25.3, the term "earned compensation" shall mean any and all monies paid to an employee by the City, for which there is a pension contribution, under or pursuant to any provision of this Contract and without regard to the date, time, or pay period in which the original obligation for such payment may have occurred.

Section 25.4. Uniform Allowance. All uniforms required of employees in the performance of their duties shall be furnished without cost to the employees by the Employer and maintained in good, safe condition.

Section 25.5. Allowance for Personal Items. In the event of loss, destruction of, or irreparable damage to an employee's corrective lenses in the performance of required duties, an employee shall be reimbursed for the difference between: (1) the cost of replacement of the corrective lenses, and (2) the amount payable for such replacement under the vision plan, upon presentation to the Fire Chief of a receipt evidencing the fact and cost of such replacement and the vision plan's disposition of the employee's corrective lenses claim. In order to be eligible for such reimbursement, prompt reporting of the incident to the Fire Chief or shift commander and recording of the incident on the daily report and/or incident report is required. Reimbursement shall not be made if the employee's wrongful conduct or negligence contributed to the loss, damage or destruction.

Section 25.6. Working out of Classification. An employee who is required to accept responsibilities and carry out the duties of a position or rank above that which he normally holds, shall be paid at the rate for that position or rank while so acting.

New Article - Leave Donation

The union proposes that a new article be added to the parties' successor agreement which would provide for a leave donation program similar to that expressed in the collective bargaining agreement between the employer and the Fraternal Order of Police. The language which appears in the collective bargaining agreement between the city of Grandview Heights and the FOP in Article 40, section 3, reads in its entirety: "A member may voluntarily donate sick leave or vacation leave time to other members."

The union emphasizes that the above language from the FOP contract was agreed by the city of Grandview Heights for that

bargaining unit and contends that the program proposed by the employer in this fact-finding proceeding is too complex and too cumbersome, and the program utilized under the FOP contract should be utilized in the parties' successor agreement.

The employer does not oppose a voluntary sick or vacation leave donation program but proposes that the program be administered in accordance with the city of Grandview Heights's leave donation ordinance and administrative policy. The employer's proposal would allow the voluntary donation of sick leave or vacation leave to other bargaining unit members but only under the city's leave donation ordinance and administrative policy.

The employer expressed concerns about the leave donation policy within the FOP contract because it provides no definitions, no scope, no parameters, no eligibility criteria, and no structure. The employer presented a number of questions that could arise under such a program which are not answered by the language within the FOP contract as to a leave donation program. The employer notes that the language in the FOP contract as to voluntary sick leave donation has been utilized on only one occasion.

In response, the union notes that the leave donation program is a good program; such a program has already been agreed for police officers employed by the city of Grandview Heights; a similar program should be adopted for city of Grandview Heights fire fighters.

The fact-finder joins the parties in recognizing the benefit of a leave donation program to be included in the parties'

successor agreement. Such a program can provide real assistance when needed by a bargaining unit member who has been seriously injured or is seriously ill. Such a program, however, can become unwieldy, unfair, and potentially very expensive without clear guidelines as to what is allowed and what is not allowed under the program.

In weighing a program which is almost entirely unregulated against a program which is overly regulated, the fact-finder opts for the more regulated program. The issues raised by the employer as to leave donation are legitimate and real, and the application of a city policy already in place under ordinance and administrative policy appears to the fact-finder to be the preferable proposal.

The fact-finder acknowledges the need and benefit of a leave donation program and recommends the employer's proposal on this issue.

RECOMMENDED LANGUAGE - New Article - Leave Donation

A member may voluntarily donate sick leave or vacation leave time to other members. Such voluntary donations shall be administered in accordance with the city's leave donation ordinance and administrative policy.

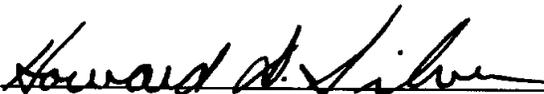
The fact-finding procedure in this case was conducted in accordance with Ohio Revised Code sections 4117.14(C)(4) and (C)(5), and Ohio Administrative Code rule 4117-9-05. In making the recommendations presented in this report, the fact-finder

considered all reliable information relevant to the issues before the fact-finder; considered past collective bargaining agreements between the parties; compared unresolved issues relative to the employees in the bargaining unit with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classifications involved; considered the interest and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustment on the normal standard of public service; considered the lawful authority of the public employer; considered any stipulations of the parties; and considered such other factors normally taken into consideration in the determination of the issues submitted to mutually agreed-upon settlement procedures in the public service or in private employment.

The parties agreed that the fact-finder's report shall issue on May 28, 2002.

RECOMMENDATION

Based on the facts found in this proceeding, the fact-finder recommends that the language presented by the fact-finder in this report for those articles not agreed by the parties, along with all articles tentatively agreed by the parties, be included in the parties' successor collective bargaining agreement to be in effect from January 1, 2002 through December 31, 2004.


Howard D. Silver
Fact-Finder

May 28, 2002
Columbus, Ohio

CERTIFICATE OF FILING

I hereby certify that duplicate originals of the foregoing Report and Recommendation of Fact-Finder In the Matter of Fact-Finding Between the International Association of Fire Fighters, Local 1792, and the city of Grandview Heights, Ohio, were filed with the State Employment Relations Board, and hand-delivered this 28th day of May, 2002, to the following;

Henry A. Arnett, Esquire
LIVORNO AND ARNETT CO., LPA
Attorneys at Law
280 North High Street, Suite 1410
Columbus, Ohio 43215

Counsel to the International Association of
Fire Fighters, Local 1792, Union

and

Donald L. Keller, Esquire
BRICKER & ECKLER LLP
Attorneys at Law
100 South Third Street
Columbus, Ohio 43215-4291

Counsel to the City of Grandview Heights, Employer


Howard D. Silver
Fact-Finder

May 28, 2002
Columbus, Ohio