

FACT-FINDING TRIBUNAL OF THE  
STATE EMPLOYMENT RELATIONS BOARD

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RELATIONS BOARD

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IN THE MATTER OF:

PLEASANT VALLEY FIRE FIGHTERS,  
INTERNATIONAL  
ASSOCIATION OF FIRE FIGHTERS,  
LOCAL 3475,

Employee Organization,  
and

PLEASANT VALLEY JOINT  
FIRE DISTRICT,

Employer.

REPORT AND RECOMMENDATIONS  
OF THE FACT FINDER

CASE NO. 03-MED-05-0630

DATE OF HEARING: September 26, 2003

PLACE OF HEARING: Plain City, Ohio

FACT FINDER: Charles W. Kohler

APPEARANCES:

FOR THE EMPLOYEE ORGANIZATION:

Mark D. Lundy, 5th District Vice President, OAPFF  
Doug Mauger, President, Local 3475  
Robert A. Drummond, Union Steward  
Bob Leonhard, Secretary/Treasurer, Local 3475

FOR THE EMPLOYER:

Robert Harris, Attorney at Law  
Toni Stevens, Clerk/Treasurer  
Don Whitmer, Chairman, Bd. Of Trustees

## PROCEDURAL BACKGROUND

By a letter dated June 25, 2003, the State Employment Relations Board ("SERB") appointed the undersigned as fact finder upon selection by the parties pursuant to Ohio Revised Code Section 4117.14(C)(3). The fact-finding hearing was held on September 26, 2003, at the Pleasant Valley Joint Fire District fire station in Plain City, Ohio. The report and recommendations of the fact finder are to be served upon the parties no later than October 10, 2003, pursuant to the mutual agreement of the parties.

This matter involves the negotiation of a successor collective bargaining agreement between the Pleasant Valley Joint Fire District ("Employer") and the Pleasant Valley Firefighters International Association of Firefighters, Local 3475 ("Union"). The bargaining unit consists of those individuals serving in the positions of firefighter and lieutenant. At the present time, there are 11 employees in the unit.

Prior to the fact-finding hearing, the parties engaged in negotiations and reached tentative agreements on many issues. The unresolved issues were presented to the fact finder for resolution.

## MEDIATION

Prior to an evidentiary hearing, the parties engaged in mediation with the assistance of the fact finder. However, no additional agreements were reached on the unresolved issues. All of the issues remaining unresolved are discussed in this report.

## STATUTORY CRITERIA

The following findings and recommendations are offered for consideration by the parties; were arrived at pursuant to their mutual interests and concerns; are made in accordance with the data submitted; and in consideration of the following statutory criteria as set forth in Rule 4117-9-05 of the Ohio Administrative Code:

1. Past collectively bargained agreements, if any, between the parties;
2. Comparison of the 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 classification involved;
3. 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 adjustments on the normal standard of public service;
4. The lawful authority of the public employer;
5. Any stipulations of the parties;
6. Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of the issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

#### FINDINGS OF FACT AND RECOMMENDATIONS

The tentative agreements of the parties are hereby incorporated by reference into this report as recommendations. In addition, unless the fact finder has recommended a change in the language of the expired agreement, or the parties have tentatively agreed to a change, the fact finder recommends that the language of the expired agreement be retained.

#### BACKGROUND

The Employer is a joint fire district which was formed in 1992. Under Ohio law, a joint fire district must consist of two or more political entities, usually townships. A joint fire district is governed by a Board of Trustees, which must have at least one member from each of the political entities which are part of the district.

The Employer's primary funding source is a property tax which is applied to all real property in the district. The rate of taxation is determined by tax levies approved by voters. Approximately 85 percent of the annual revenue is from the property tax.

The next most significant source of revenue is the Homestead Rollback. Residential property owners receive a reduction in property taxes, and the state contributes funds to the taxing entities which would otherwise have received the property tax revenue. The Homestead Rollback comprises about 10 percent of total revenue.

In 2003, the district began charging fees for Emergency Medical Services (EMS). The district estimates that it will receive a net of about \$40,000 from these fees. The use of revenue from these fees is restricted by state law. The revenue can only be used for the operation of EMS services in the district.

## ARTICLE 15 ANNUAL PAY SCALE

### Position of the Employer

The Employer proposes that the current wage rates continue until December 31, 2003, with a 3 percent wage increase effective January 1, 2004. The Employer emphasizes that it picks up the entire cost of the employees' contributions to the Ohio Police and Fire Pension Fund, meaning that the Employer pays 34 percent of wages into the fund. Employees do not pay income tax on the amount contributed.

The Employer asserts that its financial position severely limits the amount of any wage increase it can provide to employees. The Employer is very satisfied with the level of public service provided by firefighters, but contends that it is unable to provide the wage increase sought by the Union. It states that the tax base in the district is primarily residential, and is not expected to grow in the near future. The Employer notes that the state is considering reducing the amount of the Homestead Rollback by 50 percent.

The Employer asserts that it must also have sufficient funds for expenses other than wages and employee benefits, such as vehicle maintenance and replacement, and building repairs. In addition, the district is required to carry over an amount equal to three months of operating expenses from one year to the next.

### Position of the Union

The Union proposes wage increases of 4 percent effective October 1, 2003, and 6 percent effective January 1, 2004. It asserts that the increase is needed to keep wages in line with comparable jurisdictions. It points out that wage increases in comparable jurisdictions for 2002, 2003 and 2004, have been in the 3 to 5 percent range. It maintains that, in most of the comparable jurisdictions, the employees' pension contribution is paid by the employer.

The Union asserts that, because of a change in the overtime procedure, employees will receive less overtime pay in the future. The Union also contends that the Employer can cut other expenses, such as contract services and employee training, in order to fund the wage increase. According to the Union, the Employer has budgeted an excessive amount for some categories in the proposed 2004 budget. For example, the budgeted amount for training for 2003 was \$12,000. The estimated final expenditure for 2003 is \$1700, yet the budgeted amount for training for 2004 is \$6,000.

### Discussion and Recommendations

A fact finder is required to consider many factors in making recommendations, including the terms of collective bargaining agreements in comparable jurisdictions, and the ability of the public employer to finance the issues proposed. In this case, the Employer is asserting that it does not have the financial ability to fund the wage increases proposed by the Union, while the Union contends that its wage proposal is needed in order to obtain wage rates in line with comparable jurisdictions.

In this case, the Union has shown that a modest wage increase is necessary in order to keep pace with comparable jurisdictions. However, the funding of the increases proposed by the Union would place the Employer in a precarious financial position. The fact finder has reviewed the evidence of the parties relating to the cost of the wage proposals, the ability of the Employer to finance additional wages, and the wages of comparable jurisdictions. Based on the evidence presented, the fact finder recommends that current wage rates remain in effect for the remainder of 2003, and that wages be increased by 4 percent, effective January 1, 2004.

ARTICLE 19  
OVERTIME/COMPENSATION TIME

Position of the Union

The Union proposed a change in the manner in which overtime is calculated. Currently, overtime for firefighters is paid at time and one-half for all hours worked in excess of 212 in a 28-day cycle. The pay period is 14 days. Firefighters receive one paycheck on the 14<sup>th</sup> day of the 28 day cycle, and another paycheck on the last day of the 28-day cycle. This results in the firefighters receiving payment for overtime only at the end of the 28-day cycle. The Union desires that firefighters be paid overtime during each pay period. It states that it is not fair for someone to work an extra 24 hour shift during the first pay period of a cycle, and not receive payment until the end of the 28-day cycle. Therefore, the Union proposes that overtime be calculated on a 14-day cycle, with overtime being paid for hours over 106 in each 14-day period.

Position of the Employer

The Employer states that the proposal of the Union would result in additional costs. The Employer points out that a firefighter who works five 24 hours shifts in a 14-day period would have 120 hours in the period and would be entitled to 14 hours of overtime pay. If the firefighter worked four shifts in the second pay period, he would work a total of 96 hours, giving him a total of 216 hours in the 28-day cycle. Under the current system, the firefighter would receive overtime for hours worked in excess of 212, resulting in only 4 hours of overtime. Thus, the Employer asserts that the change proposed by the Union would cost the Employer 10 additional hours of overtime.

Discussion and Recommendations

The fact finder notes that the parties have tentatively agreed to a change in Subsection B of Article 16. The proposal discussed herein will not affect that subsection.

The use of the 212 hour workweek in a 28-day cycle is in accordance with the Fair Labor Standards Act (FLSA). It appears that overtime has always been paid on the basis of hours worked in excess of 212. The Union's primary concern is that no overtime is paid in the first 14-

day payroll period of the 28-day cycle. Under normal scheduling, firefighters earn a minimum of 4 hours of overtime in each 28-day cycle. Thus, the second paycheck of the cycle is always somewhat higher than the first. The second paycheck is sometimes substantially higher, as, for example, when a firefighter works an entire 24 hour shift of overtime.

Certainly it would be more convenient for firefighters to receive overtime in both paychecks. This would tend to even out the amount of the checks, which would be helpful to firefighters for budgeting purposes. However, the proposed change would result in more overtime being paid by the Employer. Considering the current financial situation of the Employer, it would not be prudent to recommend any change in the overtime system at this time.

During the hearing, the parties discussed the possibility of paying only certain types of overtime in the first pay period of the cycle. It appears that properly drafted language could result in no additional cost to the Employer. However, this is an issue which needs to be further studied by both parties.

The fact finder concludes that there is no compelling need to change this provision. The current provision was previously negotiated by the parties, and there is insufficient evidence supporting the need for a change. The fact finder recommends that the current language be retained in Article 16.

## ARTICLE 26 HEALTH BENEFITS

### Position of the Employer

Both the Union and the Employer propose a change in the status quo, which requires the Employer pays the full cost of health insurance for all members of the bargaining unit. The Employer proposes that employees make a contribution toward their insurance premium based on the type of coverage they select.

Based on information from the insurance provider, the Employer anticipates that health insurance premiums will increase by 30 percent in 2004. (At this time, 2004 rates have not been set, and both parties acknowledge that the actual amount of the increase could be higher or lower than 30 percent.) Under the Employer's proposal, employees electing single coverage would contribute \$50 per pay period, and those electing employee and spouse coverage would

contribute \$100 per pay period. For family coverage, the contribution would be \$150 per pay period.

The Employer states that it is reasonable for employees to bear part of the cost of health insurance. The Employer points out that it has little control over premium amounts, and cannot afford to pay the entire cost of a large increase in insurance premiums.

#### Position of the Union

The Union also proposes that employees contribute to the cost of health insurance. Its proposal is that bargaining unit members who elect family coverage pay \$50 per month toward the premium for family coverage. The Union argues that the Employer's proposal requiring a payment of \$150 per pay period for family coverage would exceed the amount of the wage increase proposed by the Employer for 2004.

The Union asserts that its proposal would result in bargaining unit members paying an amount similar to comparable jurisdictions. The Union contends that any comparison with Jerome Township is not applicable because its firefighters are paid higher wages, and they just negotiated a three-year contract with a 5 percent wage increase each year.

#### Discussion and Recommendations

Coping with large increases in health insurance premiums is difficult for all employers, public as well as private. Small employers, such as the Employer herein, have far fewer options than large employers. The Employer is properly concerned about a substantial increase in the cost of health insurance. The Employer obviously is searching for strategies to control this cost. Health insurance is a complex issue as there are so many variables in terms of coverage. In general, there is a trend toward requiring employees to shoulder part of the cost of health insurance. The parties presented evidence from many jurisdictions in Ohio which have agreements requiring employees pay a percentage of the premiums, typically 10 to 15 percent. Employees in other jurisdictions pay a fixed amount toward the premium. Another variation used in some jurisdictions is for both the employees and employer to share the cost of any increase during the term of the agreement.

In order to reduce costs, the Employer changed the co-pay for 2004 from 90/10 to 80/20. Even with this change, the district faces a 30 percent increase in premiums. With the increase, the monthly premiums in 2004 will be \$450 for individual coverage, \$900 for an employee and spouse, and \$1300 for family coverage. The Employer estimates that the cost of the increase in premiums will be \$21,000 for 2004. The Employer asserts that, under the Union's proposal, employees would contribute \$6000 toward the premium, making an estimated additional net cost to the district of \$15,000. However, under the Employer's proposal, the revenue from employee contributions would be \$32,500, which would exceed the amount of the increase in premiums by \$11,500.

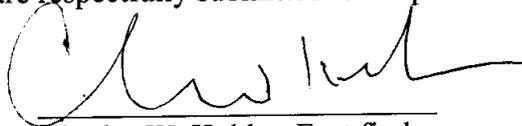
The fact finder deems it fair for both parties to share in the cost of the increase of the premium. Since the Employer has been paying the entire cost of the premium, it would be most equitable to phase in the amount of the employee contribution. If the parties were negotiating a three year agreement, the fact finder would recommend an increase the percentage of the premium paid by the employees in the second and third year of the agreement.

Since the amount of the 2004 premium is unknown, the fact finder deems it advisable to state the cost in percentage terms, rather than a fixed dollar amount. For 2004, the fact finder will recommend that employees pay 25 percent of the cost of any increase in the premium. Using the estimated 30 percent increase in premium for 2004, individual coverage would cost employees \$25 per month, employee and spouse coverage would cost employees \$50 per month, and family coverage would cost \$75 per month. In making this recommendation, the fact finder recognizes that employees will be paying additional costs as a result of the increase in the co-pay from 90/10 to 80/20.

The following language is recommended for Article 26:

All officers and Firefighters shall be provided with Major Medical, Accident, Health, Dental and Life Insurance. The District agrees to pay the full cost of Member Health Insurance premiums through December 31, 2003. Beginning in January 2004, officers and Firefighters shall pay 25 percent of the amount of any increase in Member Health Insurance premiums from the rates paid in 2003.

The above recommendations are respectfully submitted to the parties for their consideration.



Charles W. Kohler, Fact finder

### CERTIFICATE OF SERVICE

I do hereby certify that on this 10<sup>th</sup> day of October 2003, a copy of the foregoing Report and Recommendations of the Fact finder was served upon Mark Lundy, 5<sup>th</sup> District Vice President Ohio Association of Professional Firefighters, 1380 Dublin Road, #104, Columbus, Ohio 43215; and Robert Harris, Attorney at Law, Vorys, Sater, Seymour and Pease, 52 East Gay Street, Columbus, Ohio 43216, each by Federal Express overnight delivery; and upon Dale A. Zimmer, Administrator, Bureau of Mediation, State Employment Relations Board, 65 East State Street, 12th Floor, Columbus, Ohio 43215-4213 by regular U.S. Mail, postage prepaid.



Charles W. Kohler, Fact finder