

STATE EMPLOYMENT
RELATIONS BOARD
2005 JUL -7 A 11:40

STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD

In The Matter of Fact-Finding
Between

CITY OF LAKEWOOD, OHIO,

SERB CASE NO: 03-MED-09-1026

Employer,

-And-

LAKWOOD ASSOCIATION OF
FIREFIGHTERS, I.A.F.F., LOCAL 382

FACT-FINDER: John Babel, Jr.

Employee Organization.

Appearances

Lakewood Association of Fire Fighters, IAFF Local 382

Thomas M. Hanculak
Diemert & Associates
1360 S.O.M. Center Road
Cleveland, Ohio 44124-2189

Jim Astorino
Northern Ohio Fire Fighters
3100 E. 45th Street, Suite 214
Cleveland, Ohio 44127

City of Lakewood

Marc J. Bloch
Meredith A. Lobritz
Duvn, Cahn & Hutton
Erievue Tower, 20th Floor
1301 East Ninth Street
Cleveland, Ohio 44114

Introduction

The fact-finder was contacted under the auspices of The Ohio State Employment Relations Board to assist in the negotiated procedures between The City of Lakewood and Lakewood Association of Fire Fighters, IAFF Local 382. Both parties agreed that a tentative agreement was reached on the following articles:

- | | |
|------------------------------------|--|
| 1. Agreement | Change employees to members |
| 2. Article 6 <u>Overtime</u> | All employees can accumulate 100 hours (48)
Include EMS pays and longevity into overtime rate |
| 3. Article 10 <u>Postings</u> | Revise language to address Car 2 driver |
| 4. Article 11 <u>Funerals</u> | Add In-laws to 10 days |
| 5. Article 12 <u>Sick Leave</u> | Use for immediate family |
| 6. Article 14 <u>Vacations</u> | All members can accumulate 22 tours: Create
additional selection slot |
| . Article 15 <u>Holidays</u> | All members can accumulate 14 holidays |
| 8. Article 19 <u>Grievance</u> | Eliminate Captain from Step 1 |
| 9. Article 26 <u>Prevailing</u> | Eliminate meal hour |
| 10. Article 21 <u>Union Leaves</u> | Increase from 3 to 5 conferences |

The articles in question which this fact-finder will respond to are:

- | | |
|------------|--------------------------------|
| Article 3 | Wages |
| Article 4 | Longevity |
| Article 12 | Sick Leave |
| Article 16 | Medical Coverage and Insurance |

Memorandum of Understanding

The fact-finder was very impressed with the skill and ability of those in attendance at the hearing and compliments them on their professionalism, and the high regard they have for the City of Lakewood.

In reporting the conclusion of this hearing the fact-finder has given full consideration to all reliable information relevant to the issues and to all criteria specified in 4117.14(4) (e) and Rule 4117-9-05(a) past collectively bargained agreement between the parties: (b) 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 considerations to factors peculiar to the area and classification involved: (c) 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; (d) the lawful authority of the public employer: (e) stipulations of the parties; (f) such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed upon dispute settlement procedures in the public service or in private employment.

Hearing

Present at the hearing in addition to the representatives and the fact-finder were:

For IAFF Local 382

Barbara Varance – Financial Consultant
Dan Herdman – President, Local 382
David Harp – Representative Local 382
Jim Heffner – Sec/Tres. Local 382
Milan Tanasijevic – Vice Pres. Local 382

For Lakewood City

Terry Novak – Human Resource Director
Jennifer Demmerle – Asst. Director of Finance
Lawrence Mroz – Fire Chief
Lisa Crouch – Broker/Consultant
Vic. J. Nogald – Finance Director

The hearing was held in Lakewood City Hall on June 16, 2005.

History

The Lakewood Association of Fire Fighters, IAFF, Local 382 (Union or IAFF) represents all classified sworn members of the Division of Fire, excluding the Chief of Fire and the Executive Assistant Chief of the Division of Fire in the City of Lakewood.

Number of approximate employees: seventy-eight (78)

The parties met many times over the past fifteen (15) months and reached tentative agreements on many issues but were not able to reach a final agreement on all issues, thus the involvement of this fact-finder.

Background

The City of Lakewood is a western “inner ring” suburb of Cleveland, Ohio in Cuyahoga County. Its population has been declining since at least 1970, standing at approximately 57,000 in the year 2000. In mid-July of 2004 Moody’s Investors Service noted a moderately growing tax base of \$2.6 billion, gradual expansion of its commercial and light industrial sectors, and comparatively favorable unemployment rates, resident wealth levels and housing values. However, it also found a weakening financial position for the City, which recorded two consecutive years of operating deficits (\$1.25 million in fiscal year 2002 and \$2.7 million in fiscal year 2003) after years of operating surpluses had brought the General Fund balance to \$9.2 million in fiscal year 2001, which balance was 27.6% of general fund revenues. Moody’s opined that the City would be challenged to regain stability and strengthen its financial position given the weakness in the regional economy. It assigned a Aa2 rating which in May 2005 was reduced to Aa3 with a negative outlook to the new \$4.27 million bonds. Financial exhibits submitted by the City show continued weakening of its position in fiscal year 2004 with the General Fund balance (cash basis) declining from \$6.3 million in fiscal year 2002 to \$3.8 million in fiscal year 2003 and \$0.9 million in fiscal year 2004, its largest in nearly 15 years. Among the factors contributing to the City’s financial condition have been a freeze in the state’s local government funding, a decline in estate taxes and interest earnings, stagnant or decreasing income and property revenue, a 27th pay period in 2004, a living-wage ordinance, transfers from the general fund to subsidize the City’s senior citizen program and its Winterhurst skating rink, rising health insurance costs, and fire department overtime.

ISSUE 1 – ARTICLE 3.01 – WAGE INCREASE

Union Position

2004 – 0%

2005 – 3%

2006 – 3 to 5% (arbitration if needed)

City Position

2004 – 0%

2005 – 2.5%

2006 – Minimum increase of 2.5% and a maximum of 4.5% depending upon potential income tax increase. The parties shall have the right to a direct appeal to binding grievance arbitration based on a high-low offer.

Discussion

The city argument and issue was ability to pay with the union agreement as to a very tight 2004 budget which include one time obligations of a 27th check and transfers from the general fund to subsidize special city programs. Other financial issues are continuing increase in health insurance costs, freeze in the states local government funding, decline in estate taxes and interest earnings and limited increase or a possible decline in property and income tax collections. Moody's Investor Service assigned Lakewood an Aa3 bond rating with a negative outlook due to consecutive operating deficits in fiscal year 2002 and 2003, continue rising expenditures and community changes of local employers downsizing and loss of jobs. The city should be commended in that it has addressed its financial problems by reducing services and personnel, elimination of extra services, reviewing ways to reduce health insurance care. Also the implementation of self-supporting of special funds, thus reducing general fund support.

The union recognized the city's financial concerns in 2004 but did provide data that in 2005 and 2006 there are funds available to support salary adjustment to keep comparability in neighboring cities and the three cities comparable in size to Lakewood.

Fact-Finder's Recommendation

0% increase in 2004; 3% increase in 2005; 3-5% increase in 2006, with right to appeal dispute about wage increase in 2006 to baseball-type arbitration.

Rationale

There were very limited funds in 2004 but limited funds are available for salary adjustment in 2005 and 2006.

ISSUE 2 – ARTICLE 3.02 – DELETE POSITION

Union Position

Delete sections C and E which reference Lieutenants

City Position

Current Language

Discussion

This language should be removed as it addresses a non-existent position.

Fact-Finders Recommendation

Delete sections C and E, which reference Lieutenant.

ISSUE 3 – ARTICLE 3.04, A & B

Union Position

Increase EMT and Paramedic pay as follows:

	<u>EMT</u>	<u>Paramedic Pay</u>
2004	\$500	\$1000
2005	\$625	\$1250
2006	\$750	\$1500

City Position

Current Language

Discussion

The transition to EMS in the fire service is recent and adjustments are needed but costs must be considered.

Fact-Finders Recommendation

EMT-Basic will receive the following stipend: \$300 in 2004, \$500 in 2005, \$625 in 2006.

EMT – Paramedic will receive the following stipend: \$750 in 2004, \$1000 in 2005, \$1250 in 2006.

ISSUE 4 – ARTICLE 3.05 – HAZMAT STIPEND

Union Position

Effective January 1, 2006 replace BLS engine pay with a \$500.00 allowance for HazMat technician certification and EMS support responder to all employees.

City Position

Current Language

Discussion

The need for hazardous material training and EMS duties does warrant a stipend but costs must be considered.

Fact-Finder's Recommendation

Effective January 1, 2006 replace BLS engine pay with a \$500 HazMat technician bonus.

ISSUE 5 – ARTICLE 3 – WAGE INCREASE

Union Position

Effective December 31, 2004 provide an equity adjustment to equalize a first grade firefighter's salary with a patrolman's salary.

City Position

Current Language

Discussion

Prior to the 1998-2000 negotiations there was parity in wages for police and firefighters. Different wage settlements in those negotiation sessions disrupted that parity. This adjustment will restore that parity. Again costs must be considered.

Fact-Finder's Recommendation

Effective Dec. 31, 2006, adjust salary of first grade firefighter's salary with a patrolman's salary.

Rationale

This will restore parity within the safety forces which will improve total staff morale and develop fairness among individuals protecting the city.

ISSUE 6 – ARTICLE 4 – LONGEVITY

Union Position

Effective January 1, 2006 extend payments of \$100.00 per year from 5 to 20 years to 5 to 25 years.

City Position

Current Language

Discussion

All of the surrounding departments provide additional longevity payments up to twenty-five years of service. The police officer fact-finder's report recommended the payments be extended to twenty-five years. This is another cost issue for the city.

Fact-Finder's Recommendation

Effective Jan. 1, 2006, extend payments of \$100 per year from 5 to 20years to 5 to 25 years.

Rationale

Minimal cost and provide comparability with area cities.

ISSUE 7 – ARTICLE 12.10 – SICK LEAVE

Union Position

Revise to one-fourth (1/4) of 2400 hours

City Position

Current language

Discussion

Although members are permitted to accumulate 2,400 hours of sick leave, the Contract only permits conversion upon retirement, etc., on 1,800 hours. The union proposes to increase the payment from one-fourth (1/4) of 1,800 hours to one-fourth (1/4) of 2,400 hours. The city had previously agreed with this proposal, and the union is unsure of their current position.

Fact-Finder's Recommendation

Revise to one fourth (1/4) of 2400 hours

ISSUE 8 – ARTICLE 16 – MEDICAL COVERAGE AND INSURANCE

Union Position

Current Language

City Position

Traditional plan: Maintain at a cost of \$100 family contribution/\$60 single contribution from employees.

Alternate plan: 90/10 plan with no employee contribution

Discussion

The parties have participated in lengthy negotiations regarding healthcare, and the City has modified its proposal in hopes of reaching resolution on this issue. The City cannot afford to continue funding 100% of the cost of the traditional plan, at the rate that healthcare costs are increasing. The City's 90/10 proposal, offered at no cost to the employee, would not alter an employee's benefits. Non-bargaining unit employees have been required to pay a contribution to both the traditional plan and the alternate 90/10 plan since January 2005.

Fact-Finder's Recommendation

Traditional medical plan: Maintain at a cost of \$75 family contribution/\$40 individual contribution, on a pre-tax basis.

Alternate plan: 90/10 plan with no employee contribution. Retroactive to January 2005

ISSUE 9 MEMORANDUM OF UNDERSTANDING

Union Position

Parties will be required to meet and renegotiate any matter that a safety force union negotiates or is awarded for 2004 that is economically more beneficial than what the IAFF #382 achieves.

City Position

Current language which does not include a memorandum of understanding.

Discussion

Because of the past practice in the 1998-2000 contract negotiations and because of the indication of the police officers attainment of a similar agreement with the City, the Firefighters believe it is reasonable for our proposal of a me-too to be recommended. The firefighters have been harmed in the past, and we should be protected against future harm.

Fact-Finder's Recommendation

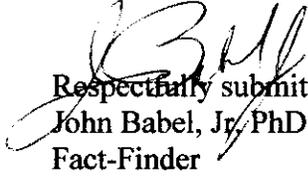
A Memorandum of Understanding (a "Me-Too" provision) wherein the parties would be required to meet and renegotiate any matter that a safety force union negotiates or is awarded for 2004-2006 that is more economically beneficial than what the IAFF receives.

SUMMARY OF RECOMMENDATIONS

<u>Issues</u>	<u>Recommendations</u>
1 - Wages	0% - 3% - (3-5%)
2 - Wages	Delete section C & E
3 - Wages	EMT - \$300 - \$500 - \$625 Paramedic - \$750 - \$1000 - \$1250
4 - Wages	Replace BLS engine pay with \$500 HazMat bonus
5 - Wages	Effective December 31, 2006 adjust firefighter's salary to patrolmen's salary

- 6 - Longevity
- 7 - Sick leave
- 8 - Medical coverage

9. Memorandum


Respectfully submitted
John Babel, Jr. PhD.
Fact-Finder

Extend payments to 5-25 years
Revise (1/4) of 2400 hours
Option A: \$75 family/\$40/single, effective 2005
Option B: No cost to employee
Me-Too Clause