

**IN THE MATTER OF FACT-FINDING**

STATE EMPLOYMENT  
RELATIONS BOARD

**BEFORE**

2004 JUN -7 A 10: 29

**RICHARD D. SAMBUCCO, FACT-FINDER**

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<b>THE CITY OF CAMBRIDGE</b>	)	<b>FINDINGS OF FACT</b>
	)	
<b>AND THE</b>	)	<b>AND</b>
	)	
<b>INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, I.A.F.F. LOCAL 910</b>	)	<b>RECOMMENDATIONS</b>
	)	

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**SERB CASE NO. 03-MED-12-1395**

**REPRESENTING THE CITY:**

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Columbus, OH 43215-5492**

**REPRESENTING THE UNION**

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**DATE OF FACT-FINDING:**

**May 17, 2004**

**DATE OF REPORT:**

**JUNE 3, 2004**

## **PRELIMINARY STATEMENT**

On May 17, 2004, a Fact-Finding hearing was held in Cambridge, Ohio by and between the City of Cambridge hereinafter referred to as the "City" or "Employer" and the Firefighters of Local 910, hereinafter referred to as the "Union."

Richard D. Sambuco was appointed by the Ohio State Employment Relations Board (SERB) to serve as Neutral Fact-Finder.

The Employer's position was presented by Mr. Marc Fishel, Attorney. Also present for the Employer was John T. Jones, Service-Safety Director and Suellen Johnson, Auditor.

The Union's position was presented by Mr. Dennis Haines, Attorney. Also present for the Union was Tim Milner, President, Local 910; Kevin Blanchard, Contract Committee, Local 910, and Jeff Deeks, Treasurer and Contract Committee, Local 910.

The Fact-Finding hearing began promptly at 10:00 a.m. in the City Building in Cambridge, Ohio.

## **FACTUAL BACKGROUND**

The bargaining unit presently consists of eighteen (18) employees. The Union and the City have engaged in five (5) negotiation sessions since February, 2004.

Having previously reached agreement on the majority of issues, the parties came to the Fact-Finding hearing with three (3) issues at impasse as follows:

1. ARTICLE 54 – WAGES
2. ARTICLE 50 – HOSPITALIZATION PLAN
3. ARTICLE 53 – CALL-OUT PAY

At the request of the Union, the parties attempted to mediate the issues prior to entering the Fact-Finding process. Mediation began shortly after 10:00 a.m. and lasted to approximately 2:20 p.m.

There was no substantive agreement reached by the parties on any of the three (3) issues at impasse, however, there was some movement by the parties on each of the three (3) issues with a significant revelation with regard to the Hospitalization Plan that was previously misunderstood by the union.

Under the current Collective Bargaining Agreement (March 2001 – March 2004) the City's Hospitalization Plan is a self-funded plan. This self-funded plan was also applicable to all other City employees.

Due to the rising costs in health insurance expense (an increase of 148%, according to the City's position statement) the City decided to move from a self-funded plan to a private insurance carrier; a private firm referred to as Medical Mutual. The selection of Medical Mutual as the insurance carrier was accomplished through competitive bidding from several firms prior to the selection of Medical Mutual.

This new hospitalization coverage through Medical Mutual was implemented effective January 1, 2004 for all non-represented employees and those represented employees who have previously or tentatively agreed to their negotiated Collective Bargaining Agreement.

It is my understanding that the employees represented by the American Federation of State, County and Municipal Employees (AFSCME) have agreed to the medical insurance coverage provided by the Medical Mutual Insurance Company and those employees represented by the Fraternal Order of Police (FOP) have tentatively agreed to this same medical insurance coverage.

Due to negotiations for a new Collective Bargaining agreement, the bargaining unit employees (Fire Fighters) of Local 910 have yet to agree to this change in medical insurance coverage and are proposing that their hospitalization coverage (i.e. self-funded) remain the same during the term of their new Collective Bargaining Agreement.

Under the self-insured plan, the employee’s premium for family coverage amounted to \$63.00 per month.

Under the Medical Mutual plan the employer’s premium for family coverage increases to \$140.00 per month. While there are variations of employee premium cost for a single person, employee/spouse and employee/children, the increase in family coverage, from \$63.00 per month to \$140.00 per month was the significant and primary sticking point between the parties.

Tied to this disagreement over employee premium cost between self-insured family coverage (\$63.00 per month) and Medical Mutual family coverage (\$140.00 per month) was the Union’s apparent misunderstanding of which “new” medical insurance plan they were being asked to accept.

For illustrative purposes, let us refer to them as “Plan A” and “Plan B.” The specifics, other than the differential in employee premium cost, resulting in the impasse over this particular issue are as follows:

**PLAN – A**

<b><u>Benefits</u></b>	<b><u>Network</u></b>	<b><u>Non-Network</u></b>
Benefit period Deductible – Single/Family	\$100/\$200	\$200/\$400
Coinsurance, Out of Pocket Maximum (Excluding Deductible) – Single/Family	\$500/\$1,000	\$1,000/\$1,500

**PLAN – B**

<b><u>Benefits</u></b>	<b><u>Network</u></b>	<b><u>Non-Network</u></b>
Benefit Period Deductible – Single/Family Coinsurance, Out of Pocket Maximum (Excluding Deductible) Single/Family	\$250/\$500  \$2,500/\$5,000	\$400/\$800  \$3,000/\$6,000

A close examination of the costs in “Plan A” vis-à-vis “Plan B” reveals a significant difference

The Union was under the impression that the City was asking the Union to accept “Plan B”. It was these much higher deductibles and out-of-pocket expenses of “Plan B” taken together with the increase in employee premium cost (from \$63.00 per month to \$140.00 per month for family coverage) that created the impasse on this issue with regard to Article 50, Hospitalization Plan.

It was only through mediation that the misunderstanding between “Plan A” and “Plan B” was discovered. In fact, the Union’s primary argument against the new (Medical Mutual) hospitalization coverage was the high deductibles. The Union’s position during mediation was they were not so much adverse to the increase in premium (from \$63.00 per month to \$140.00 per month for family coverage), but the tremendous increase in deductibles and out-of-pocket expenses under “Plan B” represented a “double hit” that they could not agree to accept.

When during mediation, it was revealed that “Plan A” was the plan that was proposed by the City and that all other City employees were either under or tentatively agreed to be under “Plan A”, the Union concluded that they misunderstood which plan they were being asked to accept. That revelation and conclusion by the Union, however, did not resolve the issue.

The City argues that moving from the self insured hospitalization plan to a new plan provided by Medical Mutual would save the City approximately \$200,000 dollars.

The Union counters that a \$200,000 saving spread across approximately 150 total City employees amounts to a \$1,333.00 savings per employee. The Union also points out that in one specific case; under the new plan (Medical Mutual) the prescription drug co-pay went from \$13.00 per month to \$40.00 per month. The City countered that particular increase in cost was probably due to purchasing a brand name prescription as opposed to a generic substitute.

It was explained that the City's proposed hospitalization plan (Medical Mutual, "Plan A") does not have provisions for subsidizing an employee's decision to purchase a brand name prescription over a generic substitute.

It was this type of back and forth posturing along with the increase in employee premium cost from \$63.00 per month to \$140.00 per month for family coverage that resulted in the parties' inability to agree on this issue.

In its submission statement, the Union proposed a three percent (3%) per year increase in wages for each year of the contract and a \$25.00 increase in flat-rate-pay for call-out in an emergency when off-duty, as set forth in ARTICLE 53.

In its submission statement the City proposed a wage freeze in the first year, a two percent (2%) across the board increase effective July 1, 2005, and a two percent (2%) across the board increase effective July 1, 2006. The City's position on call-out pay was "there should be no change."

In an effort, during mediation, to get the Union to agree to the new hospitalization plan (Medical Mutual, "Plan A") the City modified its wage proposal and call-out proposal as follows:

A Wage Freeze until December 31, 2004      A 2.0% increase in wages on January 1, 2006  
A 2.5% increase in wages on January 1, 2005      A 2.0% increase in wages on July 1, 2006  
A 2.5% increase in wages on July 1, 2005      The new contract would expire on March 31, 2007

The City indicated their willingness to increase the flat rate payments set forth in Article 53, for "Call-Out Pay" by \$10.00 in each section of Article 53. The City also offered to exchange one (1) sick day to a personal day off, and to forgive the first three (3) months of 2004 of Firefighter insurance premium cost under the proposed new medical insurance plan.

The new hospitalization plan (Medical Mutual) was implemented in January 2004 along with the increase in employee insurance premiums for all non represented employees and elected officials.

The bargaining unit members of Firefighters Local 910, since they have yet to accept the proposed new hospitalization plan (Medical Mutual), were not paying the increase in insurance premium cost called for under the new Medical Mutual Plan.

In an attempt to mediate the hospitalization issue, the City was willing to forego the payment of the increased insurance premiums for January, February and March of 2004.

The wage modifications, call-out pay modification, exchanging one (1) sick day for a personal day and the three (3) month insurance premium waiver proposed by the City were all conditioned upon the Union's acceptance of the City's proposed new hospitalization plan.

The City's proposals were not enough to overcome the Union's objections to the increase in employee monthly premium cost (i.e. from \$63.00 family coverage to \$140.00 family coverage) for hospitalization insurance under Medical Mutual; and for other reasons.

The foregoing, notwithstanding, the parties elected to go forward with the fact-finding process.

## **BACKGROUND FOR FACT FINDING**

In its most simplistic terms, the purpose of Fact-Finding is to examine the positions of both parties, supported by evidentiary documents and sworn testimony, arrive at a decision and provide a rationale for making a decision; all directed toward presenting the parties with an opportunity to accept or reject the Fact-Finder's recommendations.

The objective is to get the parties to accept the Fact-Finder's recommendations because the alternative, failure to accept, as in the instant case, signals a reliance on the conciliation process. And given its procedural constraints, conciliation can at best lead to a more obtrusive result for either party.

The question then becomes, how do you get both labor and management to accept a tentative agreement?

Do you recommend totally in favor of one side or the other on the issues in dispute? Or do you compare the issues at impasse, with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved, the interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of adjustments on the normal standard of public service, the lawful authority of the public employer, the stipulations of the parties, or such other factors that are traditionally taken into consideration in resolving the issues at impasse. Keep in mind that the purpose of negotiations is to reach an agreement on wages, hours and conditions of employment.

Since a critical factor bearing on the issues in dispute is the ability of the public employer to finance and administer the proposed recommendations, an examination of the City's position on these matters is in order.

## **BACKGROUND of CITY'S POSITION**

The City contends that it currently does not have the ability to pay and needs a wage freeze and an increase in the employee contribution to health insurance premiums in order to have a chance in 2004 and 2005.

Auditor Suellen Johnson testified that the City Income Tax is its main source of revenue and these revenues have been flat over the last several years due to layoffs from companies that have left the City.

In the year 2003, the City borrowed \$200,000 from the Municipal Court in order for the general fund to meet expenses in 2003. The City states that this money must be paid back to the Municipal Court and it supports its statement with City Exhibits 19 and 20.

The City argues in its position statement that it needs approximately \$100,000, for each general fund payroll.

The Auditor testified that the general fund must have \$125,000 to pay payroll. There is no rainy day fund and all non-bargaining unit and elected officials did not get a wage increase this year.

In an effort to save money the City states they now require the use of City cars rather than paying mileage for the use of personal cars; the City does not change police cars as often as they once did, and they do not replace employees when they retire.

The City argues that between 1998 and 2003, bargaining unit wages have increased by twenty (20%) percent and health insurance expenses have increased by one hundred forty-eight (148%) percent.

The City supports its position with City Exhibit No(s) eleven (11) and nine (9) respectively.

The City Service Director testified that of the approximately One Hundred Fifty-five (155) employees in the City of Cambridge, more than half are bargaining unit employees represented by AFSME, the FOP and the Firefighters Local 910.

Mr. Jones also testified that invoices for uniform allowances for AFSME and the FOP employees have not been paid.

All of the above was essentially testimony adduced at the hearing by Auditor Johnson and City Service Director Jones in an effort to support the City's position.

Let the record show that the City, during the testimony of its two (2) witnesses, presented detailed Revenue and Expenditure, Exhibits No(s) One (1) and two (2); Exhibits concerning Income Tax Revenue (Exhibits No(s) 3 and 4), Municipal Court revenue (Exhibit No. 7); Fire fund revenue and Expenditures (Exhibit No. 8); Health Insurance expenditures, (Exhibit No. 9) and a Summary of health insurance expenditures 1998-2003, (Exhibit No. 10).

A close analysis presents a persuasive argument in favor of the City's position.

## **ISSUE 1 – ARTICLE 50 – HOSPITALIZATION PLAN**

### **UNIONS POSITION:**

The Union maintains that the more than doubling of the employee premium cost (from \$63.00 per month to \$140.00 per month for the family plan) is just too much of an increase in cost to ask the Firefighter employee to pay. The Union supports its position with eight (8) exhibits of comparable employee costs in cities of comparative size to Cambridge.

Union Exhibit No.8 reveals the following :

CITY OF MARIETTA/I.A.F.F.  
 SERB CASE NO. 02-MED-08-0742  
 Steven L. Ball, Fact-Finder  
 December 10, 2002

**HEALTH PLAN CONTRIBUTIONS**

	<u>SINGLE</u>	<u>FAMILY</u>
Marietta	92%	92% employer contribution (effective rate)
Athens	100%	100%
Cambridge	\$15/mth	\$45/mth. Employee contribution
Chillicothe	100%	100%
Circleville	100%	80% employer contribution
Coshocton	100%	100%
East Liverpool	\$260	\$625 maximum employer contribution Employee pays next \$100 of any increase, and 50% of any increase above \$360/\$725.
Logan	\$350	\$350 employer contribution, plus 90% of any increase
New Philadelphia	\$127.05	\$318.16 employer contribution
Portsmouth	100%	100%
Steubenville	100%	100% City has express authority to eliminate current benefits
Washington Court House	10% 10.5% 11%	10% 7-1-01 10.5% 7-1-02 11% 7-1-03 employee share
Zanesville	100%	\$26/per pay employee contribution

## **EMPLOYER'S POSITION**

The City insists that it must have agreement on the new Medical Plan (Medical Mutual). It argues that the AFSME employees have agreed to the new plan and the FOP has tentatively agreed. In addition, all non-bargaining unit employees and elected officials are under the new plan.

As previously noted during the mediation process, the City was willing to modify its wage proposal and call-out pay as an incentive for the Union to agree to the City proposed hospitalization plan.

## **DISCUSSION**

There is no question that the most significant and troubling issue between labor and management in both the private and public sector is the spiraling increase in medical costs. There is enough evidence available to support the fact that increased medical costs have far outstripped the rate of inflation. It is almost redundant to elaborate on the problem that practically everyone acknowledges as a matter of fact.

In prescription drugs alone, the American Association of Retired People (AARP) points to a study of 155 name brand drugs and found an average price increase of 27.6% over four years ending in December, 2003, compared with a 10.4% inflation rate. The average annual increase in 2003 for the most widely used drugs was 6.9%; triple the inflation rate of 2.2%.

Families USA, a national health care consumers organization found that the 20 most frequently prescribed name brand drugs for seniors rose 6.5% in 2003. For 26 of those drugs available in 2001, prices rose 22% over three years.

Prices for almost all the top-selling drugs rose faster than inflation.

City Exhibit No. 10 reveals the following information:

Employees enrolled in City of Cambridge Insurance Plan: 2004

	<u>AFSCME</u>	<u>POLICE</u>	<u>FIRE</u>	<u>NON-UNION</u>	<u>TOTAL EMPLOYEES</u>
Family	18	12	10	19	59
Emp/child	4	5	-	4	13
Emp/Spouse	10	2	2	15	29
Single	<u>7</u>	<u>3</u>	<u>3</u>	<u>9</u>	<u>22</u>
Total	39	22	15	47	123

As can be seen from the above figures; of the 123 total employees enrolled in the City's Insurance Plan in 2004, the non-union segment and AFSCME employees are carrying the bulk of the employee premium cost. The Fire Fighter employees represent 12.2 % of the total number of employees contributing to the total employee premium cost.

When one considers that employee premium costs are the result of a "group rate" which rate is universally understood to be a lesser rate than an individual non-group rate, it can be seen that AFSME employees and non-bargaining unit employees represent seventy (70%) percent of the employee premium cost for all the employees under the group rate. When you analyze the so-called sticking point (Family Coverage), it can be seen that the Fire Fighters represent seventeen (17%) percent of the total employee premium cost for family coverage. This leaves eighty-three (83%) of the total cost being paid by the remaining employees.

At present the Fire Fighters are paying \$21.00 per month for Single coverage and \$63.00 per month for Family coverage.

The City proposes that bargaining unit employees pay the following amounts toward their monthly medical insurance premium:

Single - \$50/month  
Employee/children \$110/month  
Employee/Spouse - \$80/month  
Family - \$140/month

While these premium increases at first glance appear to be excessive, compared to what employees were previously paying, when analyzed together as a group, we can see that the Fire Fighters are being asked to incur the least cost of the total cost of the employee categories.

In its position statement, the City proposed that these premium increases for the union become effective February 1, 2004, which would make the premiums retroactive to that date. During the mediation process, as an incentive to get agreement, the City changed the February 1, 2004 date to an April 1, 2004 effective date.

**FACT-FINDER RECOMMENDATION AND RATIONALE**

For the reasons as set forth above and on the basis of my recommendation on wages and call-out pay, I recommend that the City's proposal with regard to health insurance be accepted by the union for the following additional reasons:

The Union's initial position in mediation was that they were not adverse to paying the increased premium; however they felt that an increase in premium of such magnitude coupled together with the very high deductibles and high out-of-pocket Coinsurance (expressed in "Plan B") precluded the Union from agreeing to the City's proposal.

Once the misunderstanding between "Plan A" and "Plan B" was clarified, the City's proposal of "Plan A" was much more responsive to the Union's original objection on this issue.

Considering that insurance plans of the type (Medical Mutual "Plan A") the City is proposing are traditionally group type plans and other employees (non-bargaining unit, elected officials, AFSME) are either under or have tentatively (FOP) agreed to the new plan, there is sound justification for including the Union employees of Local 910 within this same group plan (Medical Mutual, "Plan A").

The language of the current agreement, ARTICLE 50 HOSPITALIZATION PLAN, Section 50.1 (3) reads in pertinent part as follows:

"3. Nothing herein shall be construed as giving Local 910 the right to decide upon an insurance provider or to reject a change in a provider."

The above specific language taken together with the language of ARTICLE 11, MANAGEMENT RIGHTS, Section 11.1 (8) and (9) which read in pertinent part as follows:

"8. to determine the overall budget  
9. to maintain and improve the efficiency and effectiveness of the Employer's operation"

This contractual language is heavily weighted in favor of the City's proposal with regard to recommending the Medical Mutual Hospitalization Plan. Finally, the comparables relied upon by the Union in its exhibits, while reflecting more favorable coverage, in most instances, than what has been proposed by the City, are not convincing because comparables of one specific benefit absent comparables for other benefits like wages, vacation, sick pay, holiday pay and etc., do not provide a complete picture of another organization's wage and benefit package.

As an added incentive toward accepting the Medical Mutual ("Plan A") Hospitalization Plan, I recommend that the monthly premiums that Fire Fighter employees will be paying, as indicated above, become effective June 1, 2004.

**ISSUE 2 – ARTICLE -54- WAGES**  
**UNION'S POSITION**

In its position statement to the Fact-Finder, the union proposed a three percent (3%) per year increase in wages for each year of a three (3) year contract.

However during the mediation session, the City modified its position statement proposal of a wage freeze in 2004 and a two (2%) percent across the board increase effective July 1, 2005 and a two (2%) percent across the board increase effective July 1, 2006.

That wage proposal modification by the City is as follows:

- A wage freeze until December 31, 2004
- A 2.5% increase in wages on January 1, 2005
- A 2.5% increase in wages on July 1, 2005
- A 2.0% increase in wages on January 1, 2006
- A 2.0% increase in wages on July 1, 2006
- The new contract will expire on March 31, 2007

This modified wage proposal as indicated above is acceptable to the Union.

**EMPLOYER'S POSITION**

Notwithstanding the City's original position statement proposal as indicated above, the City was quick to point out and firm in its position that its modified proposal as indicated above was predicated on the acceptance of the City's proposed Hospitalization Plan.

**DISCUSSION**

Since the parties are essentially in agreement on the City's wage proposal, there is very little to offer in the way of discussion. However, I would like to call the parties' attention to City Exhibits 11 and 12, which appear in a slightly modified form as follows:

**INFLATION RATE**

<u>Year</u>	<u>Inflation Rate %*</u>	<u>Wage Increase % (City Ex. No.11)</u>
1998	1.51%	3%
1999	2.21%	3%
2000	3.38%	4%
2001	2.85%	4%
2002	1.58%	3%
2003	2.28%	3%

\*equals % of CPI change

It doesn't take a rocket scientist to see that the percentage wage increase, in comparison to the inflation rate in some of those six years is quite favorable to the Union.

City Exhibit No.1 reveals a seven (7) year average in General Fund revenues of only 1.18% increase per year.

City Exhibit No. 1 reveals a seven (7) year average of only 0.50% increase per year in Total Revenue of all City Funds.

City Exhibit No. 1 reveals a seven (7) year average of 2.10% increase per year in General Fund expenses.

City Exhibit No. 1 reveals a seven (7) year average of 2.65% increase per year in Total Expenses of all City Funds.

To Recap:

	Revenue	Expenses
Average General Fund (7 years)	1.18%	2.10%
Average All City Funds (7 years)	0.50%	2.65%
Average Inflation Rate (6 years)		2.30%
Average Wage Increase (6 years)		3.33%

Today the Primary issue in dispute is the increase in medical costs and the increase in premium cost that the employee is being asked to assume. This situation (increase in medical costs) did not develop overnight.

Both the City and the Union need to work together because the City depends on the services of its employees the employees depend on the City for its livelihood. Both parties have a stake in the financial viability of the City.

**FACT-FINDERS RECOMMENDATION**

I recommend the City's modified wage proposal to appear in the contract as follows:

**“ARTICLE 54 – WAGES**

Section 54.1 Wage increases will be as follows:

Wage Freeze until December 31, 2004

January 1, 2005-----2.5%

July 1, 2005-----2.5%

January 1, 2006-----2.0%

July 1, 2006-----2.0%

(See Appendix “A” Salary Schedule, page 27, for hourly rate.)”

**ISSUE 3 – ARTICLE – 53 CALL-OUT PAY**

**UNION’S POSITION**

The Union proposes a twenty-five (\$25) dollar increase in each of three (3) emergency call-out provisions when called out while off duty.

Section 53.1 Regular currently provides for a \$75.00 payment, per person/per call

Section 53.2 Intermediate currently provides \$110.00 payment per person/per call for emergency call-out between six (6) and twelve (12) hours.

Section 53.3 Extended currently provides a \$225.00 payment per person/per call for emergency call-outs that last more than twelve (12) hours.

The Union argues that they have been working under this provision (Article-53) for over six (6) years without an increase.

### **EMPLOYER'S POSITION**

The City argues that to grant the Union's request to increase each of the three call-out provisions by \$25.00 per person/per call, would result in a thirty-three (33%) percent increase in the \$75.00 call-out provision; a twenty-three (23%) percent increase in the \$110.00 call out provision and an eleven (11%) percent increase in the \$225.00 call-out provision.

The City is against increasing any of the three (3) dollar amount provisions at this time.

### **DISCUSSION**

The parties refer to ARTICLE 53 as the "flat rate" call-out provisions.

The Fair Labor Standards Act of 1938, as amended ("FLSA") is the principal federal law governing wages and hours.

The FLSA establishes federal standards for minimum wage, overtime pay, child labor and recordkeeping for full-and part-time employees in the private sector and in the federal, state and local government.

Typically, the FLSA does not preempt state law. If an employer is covered by both federal and state law, then it must compare the standards set by each and comply with the more stringent of the two.

If, on the other hand, an employer is covered by one and not the other set of laws then it must follow that law which applies.

Compared to many other states, Ohio has relatively few wage laws. Ohio law does require employers to pay employees at least semi-monthly. That said, overtime worked in Ohio tracks the FLSA. Employees receive time and one half for time worked over forty (40) hours in a workweek.

Fire Fighters work a rather unique work schedule and their workweek, while it varies from week to week, normally work a fifty-six (56) hour work schedule.

Sometime in past collective bargaining sessions, (taken to be more than six (6) years ago according to the Union) the parties agreed to a "flat rate" call-out provision for emergency call-out when off duty. Had the parties not opted for this "flat rate" call out provision, non-exempt employees would be eligible for overtime pay under the provisions of the FLSA. This agreement, made several years ago, by the parties, resulted in ARTICLE 53, commonly referred to by the parties as "Flat-Rate Call-Out Pay."

Having said that, brings us back to the original issue of a twenty-five (\$25.00) dollar increase in each of the three provisions of Article 53 which the Union proposes and the city refuses to grant.

If agreement can be reached, we are looking at a three-year collective bargaining agreement that calls for a wage freeze in the first six (6) months of the agreement.

The key issue for the City in these negotiations is the new Hospitalization Plan.

The Union argues that Article 53 and its relevant sections have not had a monetary increase in six (6) years.

The Fire Department administration (Fire Chief) has discretionary authority with regard to the number of fire fighters called out for emergencies, while off duty.

### **FACT-FINDER'S RECOMMENDATIONS**

For the above reasons, and the fact that the City has already offered a ten (10.00) increase in each of the three sections of Article 53, which the Union has rejected, and in an effort to provide incentive to get agreement on a new collective bargaining agreement that contains a new Hospitalization Plan (Medical Mutual), I recommend increasing Section 53.1 by twenty-five (\$25.00) dollars, which equates to approximately \$16.67 per hour, ( $\$100/6\text{hrs}$ ) which is less than the time and one-half rate of \$18.32 at the current fire fighter's rate for working over forty (40) hours.

I recommend increasing Section 53.2 by twenty-five (\$25.00) dollars which equates to a maximum of \$22.50 per hour ( $\$135.00/6\text{hrs}$ ) and a minimum of \$11.25 per hour ( $\$135.00/12\text{hours}$ ). This provides an equitable balance below and above the current fire fighters time and one-half rate of \$18.32 per hour for all hours worked in excess of forty (40) hours in a workweek.

I recommend increasing Section 53.3 by twenty (\$25.00) dollars which equates to approximately \$20.83 per hour ( $\$250.00/12\text{hours}$ ) which is a little more than the current fire fighters time and one-half rate of \$18.32 per hour.

That \$20.83 per hour equivalent will go down the longer the fire fighter works beyond twelve (12) hours. In fact, the fire fighter only has to work 13.5 hours to get the rate down to \$18.52 per hour, (\$250.00/13.5 hours) which is approximately equivalent to the current fire fighters time and one-half hourly rate of \$18.32.

By July 1, 2006, the fire-fighters time and one-half rate will have reached \$20.03 per hour (13.35\*1.5) which approximates the \$20.83 per hour equivalent (\$250.00/12hours) for emergency call-out.

These recommendations for Article 53 are designed to overcome the resistance by the Union to accept the proposed Hospitalization Plan (Medical Mutual, "Plan A") and to provide a level of equitable balance to a wage freeze during the first six (6) months of the collective bargaining agreement.

.Article 53 would read as follows:

**ARTICLE 53**  
**CALL-OUT PAY**

**Section 53.1 Regular:** All personnel of the Fire Department, with the exception of the Fire Chief, called out for an emergency when off duty, shall be paid \$100.00 per person/per call.

**Section 53.2 Intermediate:** All Personnel of the Fire Department, with the exception of the Fire Chief, called out for a period of not less than six (6) hours and less than twelve (12) hours, shall be paid of \$135.00 per person/per call.

**Section 53.3 Extended:** All personnel of the Fire Department, with the exception of the Fire Chief, called out for a period of not less than twelve (12) hours shall be paid \$250.00 per person/per call.

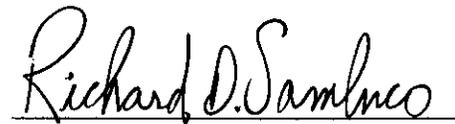
In making recommendations, I have attempted to make recommendations based on the record made at the hearing and the factual evidence available to me, with the ultimate objective of bringing the parties together and encouraging them toward approval of a new three-year Agreement.

As the parties' well know, not everyone gets everything they want in negotiations, that's what collective bargaining is all about.

My recommendations are premised on the basis that all previously resolved issues are to be incorporated into the final agreement.

I wish both parties success in their deliberations.

Report compiled and submitted in Belmont County, Ohio, effective June 3, 2003

  
Richard D. Sambuco, Fact-Finder

## SOURCES CITED

1. USA Today Newspaper, "AARP: Drug Prices are Soaring"  
Wednesday, May 26, 2004
2. "Overtime Requirements and Exemptions in Ohio" presented by Lester W. Armstrong, Esq., Paul J. Corrado, Esq., Richard A. Millisor, Esq.; Evelyn P. Schonberg, Esq., at Independence, Ohio on March 8, 2002. Lorman Education Services, P.O. Box 509, Eau Claire, WI 54702-0509