

STATE EMPLOYMENT
RELATIONS BOARD

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IN THE MATTER OF FACT-FINDING
BETWEEN

CITY OF BROADVIEW HEIGHTS)	CASE NO. 04-MED-09-0977
)	
)	
AND)	<u>FINDINGS</u>
)	AND
)	<u>RECOMMENDATIONS</u>
BROADVIEW HEIGHTS)	
FIREFIGHTERS, IAFF LOCAL 3646)	

JAMES M. MANCINI, FACT-FINDER

APPEARANCES:

FOR THE UNION

Susannah Muskovitz, Esq.

FOR THE CITY

James A. Budzik, Esq.

SUBMISSION

This matter concerns fact-finding proceedings between the City of Broadview Heights (hereinafter referred to as the Employer or City) and the International Association of Fire Fighters, Local 3646 (hereinafter referred to as the Union). The State Employment Relations Board (SERB) duly appointed the undersigned as fact-finder in this matter. The fact-finding proceedings were held on July 8 and 12, 2005.

The fact-finding proceedings were conducted pursuant to the Ohio Collective Bargaining Law as well as the rules and regulations of SERB. During the fact-finding proceedings, this fact-finder attempted mediation of the issues at impasse. Pursuant to the mediation efforts, the parties entered into a Contract Extension Agreement which with one exception resolved all of the issues initially presented to fact-finding. As a result, the sole matter to be resolved by this fact-finder concerns the January 1, 2006 wage issue.

The bargaining unit involved herein consists of all full-time firefighters. There are approximately sixteen firefighters in the bargaining unit.

This fact-finder in rendering the following findings of fact and the recommendation of the issue at impasse has taken into consideration the criteria set forth in Ohio Revised Code Section 4117-14(G)(6)(7). Further, this fact-finder has taken into consideration all reliable evidence presented relevant to the outstanding issue before him.

WAGES

The City proposes that there be a 1.5 % wage increase effective on January 1, 2006. The Union's proposal is for a 4.5% increase to be effective on January 1, 2006.

The City maintains that its wage proposal is reasonable considering the expected decline in General Fund revenue as well as the overall cost of operating the fire department. The City acknowledges that the fire department is predominately run through a Fire Levy. However as attested to by the Finance Director, the City's General Fund must subsidize by the fire department in order to meet its operational expenditures. Contrary to the Union's contention, the fire department is not self-sufficient but instead has to rely upon the City's General Fund for various operational expenditures including vehicle insurance, fuel costs, as well as disability insurance costs for part-time employees.

However, the City maintains that its General Fund is not in good condition at the present time. It anticipates that for the year 2006, there will be an overall decline in General Fund revenue versus the current year of approximately \$324,000. Also beginning in 2006, there will be a loss of personal property tax revenue due to the state phasing out that revenue resource. As a result, the City believes that it would be prudent to provide firefighters with only a modest 1.5% wage increase in 2006.

Moreover, the City points out that the firefighters will be receiving an hours reduction for 2006. The City argues that the value of the reduction in hours must be taken into consideration with respect to any wage increase for firefighters in 2006. It was

estimated by the City that the reduction in hours could cost the department about \$113,000 in additional expenditures. Such evidence once again supports the City's contention here that its 1.5% wage increase for 2006 is reasonable.

The Union contends that its 4.5% wage increase proposal for 2006 is appropriate under the circumstances presented in this case. The Union submits that the operating costs for the fire department are virtually entirely funded by the Fire Levy. Only a relatively small amount for expenditures is provided by the General Fund. Moreover because the Fire Levy Fund is based upon the real estate property tax, this fund revenue should increase as the tax evaluations for property within the City go up. The Union notes that Broadview Heights is one of the fastest growing communities in the greater Cleveland area.

The Union further disputes the City's contention that the General Fund is not in good shape at the present time. To the contrary, General Fund revenue has increased in each of the past five years. Because the City is one of the fastest growing communities in the area, it is anticipated that General Fund revenues will continue to increase for the year 2006. As a result, the City has the ability to fund the Union's proposed wage increase of 4.5%.

The Union further argues that the reduction in hours which will be realized during the next year for the firefighters should not have any impact on the wage increase to be provided for 2006. It is misleading to say that the reduction in hours will put more compensation into the pockets of the firefighters. The Union was led to believe that the

City would not use the reduction in hours agreement as an argument for a below average wage increase for firefighters for 2006.

ANALYSIS – Based upon a careful review of the evidence and arguments presented by the parties, this fact-finder recommends that there be a 3% wage increase for firefighters effective on January 1, 2006. As indicated in SERB's most recent wage report, the average wage increase for firefighters in area jurisdictions for 2006 will be about 3%. The wage data shows that there are no comparable jurisdictions where firefighters will be receiving wage increases below 3% as the City has proposed in the instant matter. Likewise, one would be hard pressed to find any support in wage comparables for the Union's proposal here of a 4.5% increase. Rather, this fact-finder has determined that based upon the wage comparable data submitted a 3% wage increase for the firefighters here in 2006 would be appropriate.

This fact-finder has further determined that the City will be able to fund the 3% wage increase from currently available revenue resources. As previously discussed, fire department operating expenditures are for the most part paid for from the Fire Levy Fund. Although the City's General Fund does subsidize the fire department, it is apparent from the evidence that the General Fund as well as the Fire Levy Fund are both in relatively healthy condition at the current time. Moreover, there is every indication that due to the expanding residential tax base in the City, revenue should increase over the next several years for both the Fire Levy Fund as well as the City's General Fund. Therefore, the

evidence shows that the City clearly has the ability to finance the 3% wage increase recommended herein for the firefighters on January 1, 2006.

This fact-finder also incorporates herein as part of his recommendation the Contract Extension Agreement entered into by the parties which modifies certain contractual provisions. The Extension Agreement includes a 3.5% increase in wages effective on January 1, 2005. In addition, there is to be a wage and healthcare reopener as part of the 2006-08 Agreement.

RECOMMENDATION

This fact-finder recommends a 3% wage increase for firefighters effective on January 1, 2006.

WAGES (2006) – Effective January 1, 2006, a three percent (3%) wage increase.

CONCLUSION

This fact-finder hereby submits the above referred to recommendation on the outstanding Wage Issue presented to him for his consideration. Further, this fact-finder incorporates the Contract Extension Agreement previously entered into by the parties.

AUGUST 11, 2005



JAMES M. MANCINI, FACT-FINDER