

**STATE EMPLOYMENT RELATIONS BOARD
STATE OF OHIO**

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| IN THE MATTER OF: |) | |
| |) | CASE NO.:04-MED-09-0984 |
| Fact Finding between |) | |
| |) | |
| Independence Firefighters Association, |) | |
| IAFF Local 2375, AFL-CIO |) | FINDINGS AND |
| |) | RECOMMENDATIONS |
| and |) | May 12, 2005 |
| |) | GREGORY P. SZUTER |
| City of Independence |) | FACT FINDER |
| |) | |

2005 MAY 18 A 11:09
STATE EMPLOYMENT
RELATIONS BOARD

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INTRODUCTION

The undersigned was appointed Fact Finder in this dispute by the State Employment Relations Board (SERB) on February 8, 2005, pursuant to the Ohio Administrative Code, OAC 4117-9-05 (D). There are approximately eighteen (18) members in the bargaining unit employed by the City of Independence (herein also "Independence" or "the City") and represented by Local 2375 International Association of Firefighters (herein "the Union" or "IAFF"). The bargaining unit consists of all full-time Firefighters and Firefighters/Paramedics of the Independence Fire Department, excluding all part-time, seasonal, and temporary employees. Lieutenants are also excluded. All current members of the Union are paramedics.

The City and the IAFF are parties to the Collective Bargaining Agreement between The City of Independence and The International Association of Firefighters, Local 2375, AFL-CIO, effective July 23, 2003 and expiring December 31, 2004. (herein "Agreement")

MEDIATION

The parties agreed to mediation and proceeded with the assistance of the Fact Finder to address the Open Issues identified on March 23, 2005. The City and Union reached a number of tentative agreements (JX 1 and 2) at that session. Without objection, those agreements will be incorporated in the report and recommendation as set forth below. Four issues remained unresolved.

HEARING

With unresolved issues still pending, a fact-finding hearing was held on April 11, 2005, at City of Independence, City Hall Annex, Ohio. Both parties submitted position statements with proposals and exhibits. The parties reasserted their pre-mediation positions. The result is that the issues remaining for consideration by the Fact Finder are:

1. Article XVI - Hours of Work
2. Article XXIX - Hospitalization Insurance
3. Article XXXIV - Compensation Schedule
4. Article XXXIV - Compensation Schedule - Paramedic Pay

Both parties attended the hearing and elaborated upon their positions regarding the issues remaining at impasse through their representatives.

The City of Independence Board of Trustees was represented by Jack Petronelli, Esq. In attendance was Peter Nelson, Chief, and Charlene Armenti, Human Resources Director. The City of Independence Fire Fighters Local 2375 was represented by Susannah Muskovitz, Esq. and Ryan Lemmerbrock, Esq. In attendance were the following members of the IAFF committee: Bruce Flower, Don Reis, (President) and Mark Coyner. Received in evidence were the tentative agreements between the City of Independence and Local 2375 International Association of Firefighters (JX 1) the tentative agreements related to Alcohol & Controlled Substances Policy and Extension Agreement (JX2) reached at the March 23, 2005 mediation (herein collectively "tentative agreements" or "TA"). At the April 11, 2005 fact-finding hearing the Union offered eleven (11) exhibits.¹ The City offered twenty-nine (29) exhibits.²

¹

- UX A Hour Comparables
- UX B Insurance Comparables
- UX C Health Care Costs
- UX D United Healthcare Choice Plus Plan 001 (M2-FTE)
- UX E United Healthcare Choice Plus Plan 001 (Mod-FTE)
- UX F Medical Benefit Summary Comparison (City of Independence)
- UX G Wage Compensation Comparables (2004)
- UX H Finding Parity in 22005 between Fire and Police
- UX I SERB Clearinghouse Wage Increase Report
- UX J Paramedic Pay Comparables (2004)
- UX K Lt. Compensation info/Ordinance

²

- CX 1 Collective Bargaining Agreement between the City of Independence and the International Association of Firefighters, Local 2375, AFL-CIO executed July 23, 2003 and expiring December 31, 2004
- CX 2 Employer's proposed language to Article XVI, Article XXXIV

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- and Article XXIX
- CX 3 Wage Comparables
 - CX 4 SERB Benchmark Report
 - CX 5 Insurance rate history
 - CX 6 SERB report on Health Care Insurance costs
 - CX 7 Collective Bargaining Agreement between the City of Shaker Heights, Ohio and Local 516 International Association of Fire Fighters, AFL-CIO Effective April 1, 2002 through March 31, 2005 (excerpts only)
 - CX 8 Collective Bargaining Agreement between the City of Beachwood and International Association of Fire Fighters, Local 2388 Effective January 1, 2002 through December 31, 2004 (excerpts only)
 - CX 9 Collective Bargaining Agreement between the City of Willoughby, Ohio and International Association of Fire Fighters. Local 2291 AFL-CIO Effective April 1, 2001 with expiration March 31, 2004 (excerpts only)
 - CX 10 Collective Bargaining Agreement between the City of University Heights and International Association of Fire Fighters, Local 974 Effective July 1, 2002 through June 30, 2005 (excerpts only)
 - CX 11 Collective Bargaining Agreement between the City of Brooklyn and International Association of Fire Fighters, Local 1145 Effective April 1, 2002 through March 31, 2005 (excerpts only)
 - CX 12 Collective Bargaining Agreement between the City of Brook Park and the Brook Park Firefighters Association, Local 1141, International Association of Fire Fighters, AFL-CIO-CLC Effective January 1, 2002 through December 31, 2004 (excerpts only)
 - CX 13 Collective Bargaining Agreement between the City of Lyndhurst, Ohio and Lyndhurst Firefighters Association, Local 1676 of the International Association of Fire Fighters Effective January 1, 2004 through December 31, 2006 (excerpts only)
 - CX 14 Ordinance No. 2005-28 from the City of Pepper Pike Effective January 1, 2005
 - CX 15 Collective Bargaining Agreement between the City of Bedford Heights and International Association of Fire Fighters, Local 1497 Effective January 1, 2002 through December 31, 2004 (excerpts only)
 - CX 16 Collective Bargaining Agreement between the City of Rocky River and Rocky River Fire Fighters, Local #659 International Association of Fire Fighters, Northern Ohio Fire Fighters Effective 2003 - 2005 (excerpts only)
 - CX 17 Collective Bargaining Agreement between the City of Solon, Ohio, and the Solon Firefighter's Association, International Association of Fire Fighters, Local 2079 Effective January 1, 2004 through December 31, 2006 (excerpts only)
 - CX 18 Collective Bargaining Agreement between the City of Cleveland Heights and Cleveland Heights Firefighters Association Local No. 402 International Association of Fire Fighters, AFL-CIO Commencing April 1, 2003 Terminating March 31, 2006 (excerpts only)
 - CX 19 Collective Bargaining Agreement between the City of Euclid and Euclid Professional Fire Fighters Association Local No. 337 International Association of Fire Fighters Effective December 15, 2002 through December 31, 2005 (excerpts only)
 - CX 20 Collective Bargaining Agreement between the City of Highland Heights, Ohio, and International Association of Fire Fighters, Local 2380 AFL-CIO

A letter from Attorney Lemmerbrock on behalf of the Union dated April 12, 2005 raised a fact issue after the close of hearing. The fact issue was whether or not there have been tentative agreements as described at hearing between the City and the police department representative (FOP). Since the hearing was closed to receipt of evidence, the letter was considered a motion to reopen the hearing. The hearing was reopened at the Union's motion without objection by the City and held by telephone conference on April 21, 2005. Counsel for the parties appeared as well as counsel for the FOP, Attorney Robert Phillips. The City offered without objection another exhibit (CX 30). Afterwards, the matter was closed to the taking of evidence at that time

Post hearing briefs were submitted on April 25, 2005, In conformity with OAC 4117-9-05(L), the date of issuance of the Fact Finder's Report has been extended to *May 12, 2005*.

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- CX 21 Effective January 1, 2004 through December 31, 2006 (excerpts only)
Collective Bargaining Agreement between the City of South Euclid, Ohio and City of South Euclid Fire Fighters Association, Local 1065
Effective January 1, 2004 (excerpts only)
 - CX 22 Collective Bargaining Agreement between the City of Wickliffe, Ohio, and International Association of Fire Fighters, Local 1536 AFL-CIO
Effective January 1, 2004 through December 31, 2006 (excerpts only)
 - CX 23 Collective Bargaining Agreement between the Village of Valley View and Valley View Firefighters IAFF, Local 2634
Expiring June 30, 2005 (excerpts only)
 - CX 24 Collective Bargaining Agreement between the City of Strongsville, Ohio, and International Association of Fire Fighters, Local 2882
Effective January 1, 2004 through December 31, 2006 (excerpts only)
 - CX 25 Collective Bargaining Agreement between the City of Independence, and International Association of Fire Fighters, Local 2375 AFL-CIO
Effective July 23, 2003 expiring December 31, 2004 (excerpts only)
 - CX 26 Opinion and award from City of Independence, Ohio and IAFF
Local 2375, SERB Case #94-MED-09-0814
 - CX 27 Findings and Recommendations from City of Independence and
FOP Lodge No. 67, SERB Case #02-MED-09-0878 & 02-MED-09-0879
 - CX 28 Award from OPBA and City of Norton, SERB Case #96-MED-09-0818, #96-MED-09-0819
& 96-MED-09-0820
 - CX 29 Report and Recommendations from City of Findlay and IAFF Local 381,
SERB Case #02-MED-06-0622
 - CX 30 Summary of March 31, 2005 negotiations

CRITERIA

In compliance with Ohio Revised Code § 4117.14C(4)(e) and Ohio Administrative Code Rule 4117-9-05(J) and 4117-9-05(K), the Fact Finder considered the following in making the findings and recommendations contained in this report.

1. Past collective bargaining agreements 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 issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

In as much as this proceeding is an advisory interest arbitration, the general standards of interest arbitration are part of what the sixth criteria refers to. Those are located in ELKOURI & ELKOURI HOW ARBITRATION WORKS (Sixth Edition, Ruben, Editor. BNA, 2003) at pp1358-1364.

As quoted therein, note:

"...[interest arbitration] calls for a determination, upon considerations of policy, fairness, and expediency, of what the contract rights ought to be. In submitting this case to arbitration, the parties have merely extended their negotiations – they have left it to this board to determine what they should, by negotiation, have agreed upon. We take it that the fundamental inquiry, as to each issue, is: what should the parties themselves, as reasonable men, have voluntarily agreed to?" *Twin City Rapid Transit Co.* 7 LA 845 at 848 (McCoy *et al.* 1947)

The additional paradigm added by a public sector statutory proceeding, other than the advisory nature of fact finding in Ohio's statute, is that the interest of the public as a third element in the balance of equities. ELKOURI at p. 1361.

ISSUE ONE
ARTICLE XVI, HOURS OF WORK

CONTRACT SECTION: Article 16, Sections 16.01, 16.02 and 16.03.

- 16.01 The normal work schedule for all employees covered by this Agreement will average 51 hours per week. The normal work schedule will consist of twenty-three (23) day work period with twenty-four (24) consecutive hours on duty followed by forty-eight (48) consecutive off-duty hours.
- 16.02 Effective the first full work cycle in 2004, the normal work schedule for all employees covered by this Agreement will average 50.4 hours per week. The normal work schedule will consist of a ten (10) day work cycle with twenty-four (24) consecutive hours followed by forty-eight (48) consecutive off-duty hours.
- 16.03 Consistent with the provisions of Article VII (Management Rights) the City of Independence expressly reserves the right to maintain its continuing position that the determination of the work schedule of the Independence Fire Department is an inherent management right. Each regular employee shall be available for duty each day during the year.

UNION PROPOSAL: The Union proposes to modify Sec. 16.01 and 16.02. Former 16.02 becomes new 16.01 and the language of former 16.02 is revised to substitute the underscored matter for the former references (ie 50.4 hours, 10 day cycle and 24/48 off/on duty schedule) to a 48 hour 21 day cycle of 24.48 hour off/on duty schedule as follows:

- 16.01 The normal work schedule for all employees covered by this Agreement will average 50.4 hours per week. The normal work schedule will consist of a ten (10) day work cycle with twenty-four (24) consecutive hours followed by forty-eight (48) consecutive off-duty hours.
- 16.02 Effective the first full work cycle in 2006, the normal work schedule for all employees covered by this Agreement will average forty-eight (48) hours per week. The normal work schedule will consist of a twenty-one (21) day work cycle with twenty-four (24) consecutive hours on duty followed by forty-eight (48) consecutive off-duty hours.

CITY PROPOSAL: The City proposes no changes

POSITIONS: The Union:

The Union believes that comparisons to other communities entitle members to a reduction in hours. Comparisons to fifteen (15) fire departments of other communities average 49.87333 hours per week. Of the fifteen, five (5) worked more hours but earn substantially higher wages than are paid in the City. Of the nine (9) departments with work fewer hours of work than Independence, six (6) also earn higher wages. The Union believes the work is not commensurate with the pay they receive and therefore the hours should be reduced.

The Union responds to the City's arguments (1) that a reduction in hours is "an unjustified pay increase," (2) the hours-per-week standard was reduced in 2004, (3) the change would increase overtime, and (4) the change makes scheduling difficult.

The City's comparables support the same conclusion. In addition an hours reduction does not create greater salary to the members even though there is technically a wages rate increase. Its only pay effect would be in the overtime pay. However, the City's firefighters work very little overtime. Even if there were some overtime, the cost is minimal and is still less than the current overtime of the Independence police officers who work fewer hours. The scheduling, and therefore the cost of overtime, are at management's discretion with respect to staffing and planning. It is not the members' choice. The majority of other cities that have 48-hour work week and 21-day cycle have no difficulty in staffing. The extended cycle should make scheduling easier to avoid overtime.

POSITIONS: The City:

In 1996, through fact finding, the Union sought and received a reduction in the work week from 53 hours per week to 51.7 hours per week. The Fact finder concluded that reduction was the mathematical equivalent of 3% in wages and therefore gave a 1% wage increase that year while the

rest of the City received 4%. The City further voluntarily reduced the work schedule from 51.7 hours to 50.4 hours effective in 2004. In fact-finding on the police department contract, a different fact finder agreed that the fire department change of hours was equal to ½ % in annual wages and granted that amount of pay increase to the police. The Union now seeks the equivalent of a pay increase by a change of hours without recognizing that it has in the past received 3 ½ % of value in annual wage increases. It is not now offering an adjustment or offset for the value received.

Comparable communities have hours of work for their fire departments about the same as the City. Of nineteen (19) departments believed by the Union to pay more in salary than the City, seven (7) had fewer hours of work; nine (9) had more. Even the average of 49.87 from the Union's evidence from 15 departments is similar to the current City schedule of 50.4. The current 50.4 hours per work week is clearly within the norm of average hours per week that fire fighters work.

Even though a reduced work week schedule does not immediately translate into higher wages it increases the overtime rate and improves the chances that overtime will be paid at that rate. Currently there are 27 days where there are 2 firefighters not scheduled off. The change will make this 12 days, increasing the likelihood of overtime or require hiring to produce the same level of service for the City. Since overtime is used for training currently, the need of operational overtime will reduce the opportunity for, or increase the cost of training.

FINDINGS AND RECOMMENDATION:

The positions require consideration of three factors (1) bargaining history, (2) evidence from comparable departments and (3) the effects in scheduling and increased costs the administration of the department, particularly overtime.

One reason the City beehives the change is a disguised pay increase is that it would produce

a mathematically higher wage rate. That would affect overtime by increasing the opportunity for overtime based on the schedule and by added cost for those who work it. This is speculative. It cannot be said with a high degree of certainty that there may be additional overtime because there may not. Intuitively the fewer hours of work would produce overtime opportunities more rapidly but the extended cycle from 10 to 21 days should offset some of that. Indeed the City's evidence on this point was not persuasive and in some degree was actually not presented. (e.g. Where other cities' overtime was listed, the Independence overtime data is absent. (Cf. CX 3)

Evidence of comparable experience of other communities with hours of work for their fire departments is more germane and persuasive.

Hours of Work 2004 (*2005)

| JURISDICTION | UNION EXHIBIT | CITY EXHIBIT | WAGES |
|----------------|--------------------|-----------------|--------------------------------|
| Brook Park | UX A (48 hrs) | CX 3 (48 hrs) | 58,802 (UX G) 57,574 (CX 3) |
| Bedford | UX A (48 hrs) | | 53,912 (UX G) |
| Cuyahoga Hts | UX A (48 hrs) | | 57,078 (UX G) |
| Euclid | | CX 3 (48 hrs) | 52,274 (CX 3) |
| Middleburg Hts | UX A (48 hrs) | | 56,826 (UX G) |
| Strongsville | | CX 3 (48 hrs) | 56,936 (CX 3) |
| Twinsburg | UX A (48 hrs) | | 52,908 (UX G) |
| Westlake | UX A (48 hrs) | | 56,264 (UX G) |
| Bedford Hts. | UX A (49.8 hrs) | CX 3 (49.8 hrs) | 55,040 (UX G) 55,040 (CX 3) |
| Rocky River | UX A (49.8 hrs) | | 56,752 (UX G) 55,151 (CX 3) |
| Lyndhurst | | CX 3 (49.8 hrs) | 58,547 (CX 3) |
| Willoughby | | CX 3 (49.8 hrs) | 60,785 (CX 3) |
| AVERAGE | 49.87 hours | | |
| Bay Village | UX A (50 hrs) | | 55,688 (UX G) |

| | | | |
|----------------|-----------------|-----------------|--------------------------------|
| Cleveland Hts | | CX 3 (50 hrs) | 53,056 (CX 3, 18) |
| S. Euclid | | CX 3 (50 hrs) | 57,953 (CX 3) |
| Independence | UX A (50.4 hrs) | CX 3 (50.4 hrs) | 55,177 (UX G) 55,177 (CX 3) |
| Shaker Hts | | CX 3 (51 hrs) | 61,290 (CX 3) |
| Beachwood | | CX 3 (51.7 hrs) | 60,456 (CX 3) |
| Brooklyn | UX A (51.7 hrs) | CX 3 (51.7 hrs) | 58,307 (UX G) 58,306 (CX 3) |
| Mayfield Hts. | UX A (51.7 hrs) | | 58,376 (UX G) |
| Solon | UX A (51.7 hrs) | CX 3 (51.7 hrs) | 56,311 (CX 3, 18) |
| University Hts | | CX 3 (52 hrs) | 57,606 (CX 3) |
| Wickliffe | UX A (52 hrs) | CX 3 (52 hrs) | 57,703 (UX G) 57,706 (CX 3) |
| Highland Hts. | UX A (53 hrs) | CX 3 (53 hrs) | 58,050 (CX 3) |
| Pepper Pike * | | CX 3 (53 hrs) | 61,800 (CX 3)* |
| Valley View | | CX 3 (53 hrs) | 54,700 (CX 3) |

The above show that the average is within 0.62 hours of the City's schedule, or 37 ½ minutes. A significant number, ten (10), of departments have over 50.4 hour schedules. Another twelve (12) have fewer and about three (3) are close. All the data shows the City is within the norm of the number of hours of work on the schedules of other communities.

The Union urges that a decrease of hours would make up for the low compensation being received by the members on a comparable basis. However, among the departments that have comparable schedules (ie between 50.0 and 51.0 hours), the City's compensation is not significantly deficient. Two are above the City and two below.³ More telling is the general trend of the hours versus the compensation. With some exception, the departments with fewer hours have lower

³ Shaker Hts will continue to be anomalous in this report because it has an unusual formula for the paramedic stipend that produces a \$3,000 increase as opposed to the more typical \$1,500.

annual salary and those with higher number of hours are higher. This is tell tale of the truism that the hours of work are seen as a compensation proxy. As hours decline the rate must decline also in order to prevent the community from paying more in the sense of costs for the same service.

The City's opposition based on bargaining history is that changes in the hours of work has a value in the cost of services. Over history it was shown to be 3 ½ %. This is the simple mathematics applied to labor costs. Cost is not the same as cash. Many provisions of the Agreement are costly but produce no cash value to the worker. Wages are more costly than perhaps an employee swimming pool pass or snow plowing (cf. Agreement Article XXX and XXXI.) Hours changes are an increase in cost but not necessarily in cash-wages, except the employee who might work overtime that he might not have otherwise worked. The Union rejoins that is ought not be penalized forever due to a cost change in the past particularly where the members are supposedly under-compensated. On analysis of the history, the difference is not so drastic. Out of concern for parity one fact finder adjusted the wages in 1996 to compensate for those hours reduction by 3% less in wages. With the wage increases since then being percentages, the department has progressed from a lower base due to the 1% given in 1996. Another fact finder in 2004 brought the police in parity with the fire department in an award of an additional 1/2% to the police because the value of the hours change that year was not adjusted in the fire department wages. The members have paid for one increase and the City has paid the police for failing to maintain the parity by agreeing to the increase in cost for the fire department in the other. From an internal parity sense, the tables are now even.

Recommendation: No change to Article XVI.

ISSUE TWO
ARTICLE XXIX, HOSPITALIZATION INSURANCE

CONTRACT SECTION: Article XXIX, Sections 29.01, 29.02, 29.03, 29.04

- 29.01 The Employer will provide on behalf of each full-time employee and his family if such employee is married, the drug, dental and vision coverage as follows effective September 1, 2001:
- (A) All employees shall have the coverage summarized and contained in Appendix B. (Plan B).
 - (B) The prescription drug card provision shall be modified to provide for an eight (\$8.00) dollar deductible for generic drugs and a fifteen (\$15.00) dollar deductible for name brand drugs.
- 29.02 The Employer will pay for family coverage or for single coverage, whichever is applicable.
- 29.03 The parties agree that in their continued efforts to reduce hospitalization medical costs the Employer-wide Joint Medical/Hospitalization Insurance Committee will be maintained and convened as necessary to review alternative insurance coverages and plans and make recommendations to the Employer. It is understood that such recommendations do not obligate either party contractually. If the Committee obtains a plan more favorable to employees than the plans to be in effect on September 1, 2001, at a cost acceptable to the Employer, such plan, at the Employer's discretion, may be substituted for Plan B.

UNION PROPOSAL: is as follows:

- 29.01 For 2005, the Employer will provide on behalf of each full-time employee and his family if such employee is married, the drug, dental and vision coverage as follows effective September 1, 2001:
- (A) All employees shall have the coverage summarized and contained in Appendix B. (Plan B).
 - (B) The prescription drug card provision shall be modified to provide for an eight (\$8.00) dollar deductible for generic drugs and a fifteen (\$15.00) dollar deductible for name brand drugs.
- 29.02 The Employer will pay for family coverage or for single coverage, whichever is applicable.

- 29.03 Effective January 1, 2006, full-time employees will contribute fifty dollars (\$50.00) per month for family coverage and twenty-five dollars (\$25.00) per month for single coverage.

- OR -

The Employer may offer a 90/10 plan and if so, the Employer will pay the full premium. Details of the 90/10 plan are attached as Plan ___.

- 29.04 The parties agree that in their continued efforts to reduce hospitalization medical costs the Employer-wide Joint Medical/Hospitalization Insurance Committee will be maintained and convened as necessary to review alternative insurance coverages and plans and make recommendations to the Employer. It is understood that such recommendations do not obligate either party contractually. If the Committee obtains a plan more favorable to employees than the plans to be in effect on September 1, 2001, at a cost acceptable to the Employer, such plan, at the Employer's discretion, may be substituted for Plan B.

CITY PROPOSAL: is as follows:

- 29.01 The Employer will provide on behalf of each full-time employee and his family if such employee is married, the drug, dental and vision coverage as follows:
- (A) Effective January 1, 2005, all employees shall have the coverage summarized and contained in Appendix A until March 31, 2006.
 - (B) Effective April 1, 2006, all employees shall have the coverage summarized and contained in Appendix B.
 - (C) Effective April 1, 2006, if any employees desire the coverage summarized and contained in Appendix A, the employee will pay the difference in cost through automatic payroll deduction. The Employer will make the cost and option available to the employee before March 31, 2006.
 - (D) The prescription drug card provision shall be modified to provide for an eight (\$8.00) dollar deductible for generic drugs and a fifteen (\$15.00) dollar deductible for name brand drugs.
- 29.02 The Employer will pay ninety percent (90%) of the cost for family coverage or for single coverage, whichever is applicable for the coverage contained and summarized in Appendix B.

29.03 The parties agree that in their continued efforts to reduce hospitalization medical costs the Employer-wide Joint Medical/Hospitalization Insurance Committee will be maintained and convened as necessary to review alternative insurance coverages and plans and make recommendations to the Employer. It is understood that such recommendations do not obligate either party contractually. If the Committee obtains a plan more favorable to employees than the plans to be in effect on January 1, 2005 or April 1, 2006, at a cost acceptable to the Employer, such plan, at the Employer's discretion, may be substituted for Plan A or Plan B.

The health care coverage contained in Appendix B proposed to be effective April, 2006, will provide 90/10 in network coverage and 70/30 out of network coverage, with \$150 (single)/\$300 (family) deductibles and maximum annuals of \$600 (single)/\$1200 (family)⁴.

POSITIONS: The Union:

Although health care costs increased after 1999, it was not at the 50% level and it has been declining since 2003. By comparing the total cost paid by employees using the annual maximums and premium they pay to what the City would save, there is a shift of the burden of the change to the employees. The City's proposal would in effect shift to the employees 139% of health care cost which would negate up to a 4% increase in the Union wages. That is, the members would pay 39% more than what the City saves. The employees would be subsidizing the City in the change to the new low plan.

The City's exhibits rely on state wide data that only refers to cities having premium contributions so are not representative. Even those have a lower average contribution than the City is seeking. Further, the City argues that employees have actually subjected themselves to unnecessary medical treatment, which has raised health care costs. This is an irrational argument and is not supported by any substantive evidence.

⁴ In this portion of the report two dollar figures separated by "/" refer to single (for the smaller amount) and family for the other. Percents like 90%/10% are often with out the "%" and refer to the percent split of payments as between the carrier (or employer) and the employee.

The Union's proposal for employee contributions of \$50 (family) and \$25 (single) is more than reasonable. It exceeds the average in the comparable statewide data for premium contribution. This saves the City \$9,900 and shift of the cost of health care coverage to the Union members is 100%. In other words, the employees are not paying more than what the City saves. They are not subsidizing the City. Considering that health care costs have decreased, it would be reasonable for the bargaining unit members to asked for relief in the health care expenses rather than offer to increase their contributions.

POSITIONS: The City:

The health care premiums for employees have increased 48% from 1999 through 2005 (from \$632.49 to \$936.24). The City did not seek to substantially change the benefit level nor to seek contributions from the employees. Before 2001, bargaining unit employees were required to pay \$50 per month towards the costs of health care premium. This changed at the City's initiative because the non-bargained employees did not pay any of their premium. The City can no longer absorb the increasing costs of providing health care. Insurance professionals advise that usage drives premium costs so benefit designs that incur direct cost to employees will help reduce the increase. Where employees contribute to premium, the premium cost goes down. (CX 6)

The City 's proposal is comparable to what other public employers are providing employees for health care coverage. The SERB data shows Cuyahoga County public employers have an average of 9.1% premium contribution. (CX 15) This health care plan is the same plan provided to the dispatcher union, the non-bargaining unit employees, the mayor, the human resources director, the police, the fire chief and the city council. The police union agreed to vote on these same proposed changes. (CX 30)

FINDINGS AND RECOMMENDATION:

First a few historical facts. Until 2001, there was a contribution to premium for union represented employees on the amount of \$50 weekly but was rescinded by the new Mayor because unorganized employees did not have the requirement. Second, the City used Anthem through 2004 for medical prescription, dental and vision coverage. United Health Care began insuring the health care in 2005. The dental coverage changed to Met Life in 2003 and Humana in 2005 and the vision coverage changed to Guardian in 2004.

The premium charge for health care since 1999 increased steadily from \$632.49 to \$936.24. In 2004 a favorable claims experience savings was passed on to the City.⁵ The premium also decreased in 2005 when United took over the coverage. The punctuated rate changes (using family rates) are: 56% (1999 to 2003); 50% (1999 to 2004) and 48% (1999 to 2005). In the years 2003-2005 there was a reduction of 4% to 5%. Since that is related to claims and to a change of carrier, it is understood such a trend will not continue but that the trend towards doubling premiums over 10 or more years is more probable.

The total cost for all lines of coverage for the fire department (ie weighted by number of single and family policies) was \$202,029.12 in 2004, Anthem's last year. United Health Care began insuring the case in 2005 with a total cost of \$198,627.84. This is an weighted average of \$919.57 per employee per month for the current (100%) plan in 2005. A 90/10 plan was quoted for 2005 by United producing the cost of \$185,941.44. (UX C) This is an weighted average per employee of \$860.84 per employee per month for a 90/10 plan in 2005. There is a current \$58.73 per employee per month difference according to the Union calculations.

⁵ The dental increase was 7% over that time and the vision premium increase was 124% . (With such a large increase a change in coverage is suspected for this type of coverage.) However that is at a comparative low rate \$5.76/12.38 per month.

One contention can be quickly dispatched, the irrationality of the City position that increased user costs would reduce usage at the expense of employee health, especially in terms of preventative care of the employees. This is not "irrational" but the exercise of self interest, which always takes values in some context. Certain costs-contexts are not commensurate with the healthcare value at stake. The health care user is the best judge of that, not the City, the Union, insurance companies, or even (given the necessity of a patient's informed consent) doctors.

Since added user cost is needed to retard the type of usage that unnecessarily increases cost, the next question is whether the cost escalation exists at all, and if so, in sufficient degree to justify the change. The health care premiums for employees have increased 48% from 1999 through 2005. At 48% for six years, even though modulated by two years of lower and slower change, this computes to 8.0% annually. By 2007, without any design change that adds costs, the United premium can become arithmetically \$1,085.76(family/monthly). The design change to add user costs is appropriate in face of the cost escalation, but what design.

The comparisons of plan design defy organization. There are variables of full and coinsurance type plans that also vary as to deductibles and vary further as to being self insured or fully insured. For example, the City's proposal is highest in total out of pocket expense but is middle on deductibles and is low as the percent split on coinsurance. (UX B) The City's change appears to be modest by virtue of the low cost split (90/10) and the weighting of the out of pocket expenses towards the coinsurance part of the design instead of loading them in the deductibles.

The next feature of the City proposal is the premium contribution. The Union criticizes the use of the SERB statewide data because it excludes the universe of non-contributing units. The Union also notes that the data shows cities of a similar size which contribute do so at a lower level than the City proposes. Of course, the universe presented is not appropriate to the existing benefit

design but that does not preclude any intelligence from it. It is useful just as the Union used it to compare the proposal to other packages of similar design. However, it is not correct to compare an affluent suburban city in a high cost health care market with all other cities of the same size in the state. That could compare the City to those in lower cost health care markets, and lower cost labor markets. Population in that context is not as relevant as the health care cost market. The City makes appropriate use of the data by pointing out that in Cuyahoga County, communities that require contributions average use 9.1%, an amount very similar to the City's proposal. The premium contribution is not out of line and will be recommended.

The Union claims this would end up costing employees \$43,344.14 while saving the City \$31,280.54. If anything, it believes the City should not receive the benefit of the savings from both the lower premium and the employee contribution. To arrive at a "cost shift" the Union adds the employees' premium and co-pays and compares it to the City's premium share and the reduced premium charged for the new plan design claiming these latter are "saved" by the City. They are not. This attempts to equate the City's premium reduction with the employee's out of pocket maximums but the comparison attempted is improper for a number of reasons. The premium is in part set by factors other than the out of pocket expenses, and also the premium is in part also set by the out of pocket expenses and has already accounted for them.

The new lower premium is already a result of (1) change of design and (2) past favorable claims history of 2004. The change of carrier would be a factor but since Untied quoted both the 100% and 90/10 plan it is not here. The claims history has already reduced the premium in 2004. From that new low base Untied quoted the new case. Favorable claims history of 2004 produced savings in premium that both the City and employee pay. Even if in some little degree, that would already saving employees premium in their 10% share.

The increased expenses to the employee in the 90/10 design that are related to the deductible and coinsurance amounts are also reflected in the lower premium. Without the deductible and coinsurance expenses, the premium would be larger for both the employee and City. The range from the evidence shows from \$58.00 to \$65.00 difference per policy per month.

These differences do not overcome the prospect of \$1,500 annual co-pay the Union refers to in its cost shift analysis. However, the out-of-pocket expenditures are not fairly evaluated at 100%. Not only will all 18 families not reach the maximum, the \$1,200 coinsurance piece clocks in at 10% per medical bill. In other words to reach that level at 10% per bill, a family would have to have paid \$300 deductible and incurred \$12,000.00 in medical bills, or a total annual medical bill of \$12,300 for the family.⁶ While not impossible in terms of the expense of medical services, it still represents a family with large medical issues on an annual basis. A 100% weighting of the out-of-pockets assumes every family would have such large medical usage this year.

Therefore, the cost shift equation the Union uses has the correct intuition, that the plan and premium should be in balance. However, there is an error in defined terms. Essentially the Union juxtaposes the 10% premium paid by the employees plus the fully loaded co-pays by the employees and suggests that it should be equal to the 10% of premium the City receives from the employees plus the premium reduction the City receives from United. Since the two sides do not balance, the employees are subsidizing the City in the change in coverage. This not true.

The reason $12.7 \text{ premium should} = 24.7 \text{ co-pays}$ (in 1000's) is that the co-pay is already in the premium. This proves, at least, that 24.7 is not the proper co-pay figure. It fully loads the co-pays and states them on an individual basis. However, the premium is calculated on a forecasted

⁶ $\$300 + (12,000 \times 10\%) = \$1,500$

group experience and not fully loaded. Also, part of the premium came as a result of the favorable claims in 2004, part in the change to the 90/10 structure. The administrative fees charged by United are included too. More properly, since premium reduction = design (co-pays) effects + past experience gains + future trend + fees, then the expected co-pays must be less than the premiums. From the Union's figures, the out of pocket expenses expected by the actuary must be less than half of the fully loaded suggestion. The cost shifting argument is not convincing.

There is a proper consideration of uncompensated shift in cost of the new plan to employees. The maximum out of pocket at the family level is \$300 deductible and \$1,200 coinsurance at the 90/10 % (or 70/30 %) rates, or \$1,500 per employee. The weighted average (2005) premium for all coverage is \$860.84, and 929.70 by 8% growth for 2006. By this, a 10% contribution to premium would require each employee to pay \$92.97 monthly. In the past the fire fighters paid \$50 monthly for premium before it was discontinued by the new Mayor. The current City proposal represents an increase of about \$43.00 in premium over that past experience. The annual total exposure in premium is annually \$1,115.65. When added to \$1,500.00 out-of-pocket expenses, it is \$2,615.65 or \$217.97 monthly. Since these are after tax dollars, he would probably have to earn about 33% more or \$3,478.81 annually in order to pay both the expenses and the tax. The added tax is the true cost shift to the employees. They pay more in tax without a compensating change in benefit or premium. Therefore, the City should search out a means to avoid this added tax burden. As part of the recommendation, the agreement will require the City to offer a flexible spending account or similar income deferral for program for that purpose.

Recommendation:

The City's proposal is recommended with the additional change to Section 29.04 as shown below in underscored matter:

- 29.02 The Employer will pay ninety percent (90%) of the cost for family coverage or for single coverage, whichever is applicable for the coverage contained and summarized in Appendix B. The Employee will pay ten percent (10%) of the cost for family coverage or for single coverage through automatic payroll deduction plan. The Employer will make the plan available to the employee by March 31, 2006. If agreed under Section 29.02, the Employer shall make a salary deferral plan available instead of payroll deduction for the employees on individual basis to allow pre-tax contribution for premium and other healthcare costs but that excludes the opportunity for the employee to carry over credits from year to year, using a method approved by the IRS. If agreed under Section 29.02, and if the Union proposes a commensurate pay reduction for the purpose, the Employer shall make a salary deferral plan available instead of payroll deduction on a whole unit basis to allow a pre-tax contribution for premium and other healthcare costs but that includes the opportunity for the employee to carry over credits from year to year using a method approved by the IRS.

ISSUE THREE
ARTICLE XXXIV, COMPENSATION SCHEDULE

CONTRACT SECTION: Article 34, Section 34.01

34.01 The following compensation schedules shall be effective for the members of the Independence Fire Department:

SCHEDULE I (For employees with paramedic certification)

| | Jan 1. 2003 | 2003 Hourly Rate | Jan 1, 2004 | 2004 Hourly Rate |
|------------------------------|-------------|------------------|-------------|------------------|
| 1 st year | \$37,871 | \$14.28/hr | \$39,007 | \$14.88/hr |
| 2 nd year | \$42,989 | \$16.21/hr | \$44,279 | \$16.90/hr |
| 3 rd year | \$48,099 | \$18.14/hr | \$49,542 | \$18.90/hr |
| 4 th year & after | \$53,570 | \$20.20/hr | \$55,177 | \$21.05/hr |

SCHEDULE II (For employees without paramedic certification)

| | Jan 1. 2003 | 2003 Hourly Rate | Jan 1, 2004 | 2004 Hourly Rate |
|------------------------------|-------------|------------------|-------------|------------------|
| 1 st year | \$35,315 | \$13.32/hr | \$36,374 | \$13.88/hr |
| 2 nd year | \$40,433 | \$15.25/hr | \$41,646 | \$15.80/hr |
| 3 rd year | \$45,541 | \$17.17/hr | \$46,809 | \$17.86/hr |
| 4 th year & after | \$51,015 | \$19.24/hr | \$52,545 | \$20.05/hr |

NOTE: New employees who become qualified as paramedics will receive the appropriate compensation in Schedule I effective the date the employee presents paramedic certification to the Chief or the date the employee is assigned paramedic duties, whichever is sooner.

UNION PROPOSAL: The Union proposes to increase in Section 34.01 as follows:

| | |
|-----------------|--|
| January 1, 2005 | 5% across the board increase (retroactive) |
| January 1, 2006 | 5% across the board increase |
| January 1, 2007 | 5% across the board increase |

THE CITY'S PROPOSAL: The City proposes to increase wages at Sec. 34.01 as follows:

| | |
|----------------------|---------------------------------|
| (At execution), 2005 | 2 ½ % across the board increase |
| January 1, 2006 | 3% across the board increase |
| January 1, 2007 | 3% across the board increase |

POSITIONS: The Union:

The Union proposes to revise the wage scale to reflect five percent (5%) annual increases effective with the pay period beginning nearest January 1, 2005, 2006 and 2007. The Independence firefighters are underpaid. This is true both on external and internal comparisons.

The wages of the Independence firefighters are lower than firefighters of similar communities. Wages of current Union employees are ranked 12th out of the 15 communities examined by the Union. They are less than the average of the 15 and \$3,643 less than the average of the top five. Wage increases reported by SERB shows the average wage increase in 2005 was 3.5% which, in and of itself, is a full 1% higher than the City's proposal.

The firefighters are also significantly lower paid than other safety divisions within Independence, namely the police, who are paid 3.5% higher than the fire division. Dispatchers received a 26% increases in 1999 and 6% in 2001-02. Contrary to the City's statement at the April 11, 2005, hearing, it did not have an agreement with the police union (although it did with the dispatchers) for increases of 3%, 3 1/4% and 3 1/4% beginning 2005.

The Union proposes the increase be retroactive because otherwise, employees would have lost the opportunity of increase as a result of bargaining delays. In addition, the City has always agreed to retroactive increases in the past.

POSITIONS: The City:

The proposed wage increases are consistent with what had been previously negotiated with the bargaining unit in the prior CBA. In the past increases have been 3% (except for the adjustment

made by the factfinder in 1996 for the hours change). The increases in health care premiums have been borne by the City effectively depleting any funds available for wage increases. For that reason the first wage proposed is 2 ½ % in 2005 followed by 3% in 2006 and 3% in 2007, assuming the 90/10 health care plan is in place.

The Independence firefighters are paid a comparable wage to other fire departments when the data is adjusted for the longer work weeks of those departments. The higher annual wages in those departments are a result of working longer. If the same hours were imputed to the City firefighters and their overtime rate used, they would be in the same range of compensation.

In 1996 and 2004, the Independence police officers requested and received more of a wage increase because of the reduction of hours for the firefighters, which, as argued by the FOP, amounted to a wage increase. Although the firefighters did not receive a large wage increase, the reduction in hours translated to an additional wage increase. The 3 ½ % differential with the police officers is explained by this. If the firefighters offer to return to the 53 hour work week an amount to make up for the wage differential would be appropriate.

FINDINGS AND RECOMMENDATION:

The arguments to address are the comparisons to other communities, the effect of increased health care cost to the City, the impact of the changed hours of work on the rates, and internal parity within the City. For this discussion the rates considered are from the top pay on the combination firefighter/paramedic scale. Comparisons are made to other communities, as much as can be determined from the evidence, on that basis.

The Union attempts to demonstrate that the department is seriously underpaid in relation to its professional peers and that the City's offer is below increases given to fire departments. The Union succeeded on the second but not first point.

The compensation comparison list presented by the Union of fifteen (15) fire departments showed Independence was ranked 12th by annual salary. However, of the fifteen (15) fire departments compensated higher than Independence, eight (8) worked a greater average number of hours. They received higher compensation annually, because they worked more hours in a year for their compensation.

To demonstrate the true comparison, the salary must be adjusted for the variable of the additional annual hours. At the City's overtime rate (eg. 2004 @\$31.58) , the additional hours worked by apparently more highly compensated cities turns out to be remarkably similar. Once the hours variable is removed for the comparison, the departments that the Union cites as more highly paid are not.

For example, Highland Heights firefighters appear to receive \$3,400 more per year than the City department. However, Highland Heights firefighters work 53 hour weeks or 135.2 more hours per year than Independence firefighters. At the Independence overtime rate for those hours, an Independence firefighter would receive \$59,446 while the Highland Heights firefighter receives less, \$58,452. The same interpolation was made for all the jurisdictions having more than the average hours of work. By comparison to the 2004 salaries, Independence compares favorably to the communities with higher annual rates, ie. Highland Heights, University Heights, Wickliffe and Solon and is within \$1,000 of Mayfield Hts. (The 2004 rates even compare favorably to the communities with higher stated annual rates for 2005, ie Highland Heights, University Heights, and Pepper Pike, and is about even with Solon.) The City is well positioned on an adjusted comparison to all the "higher" paid departments. The following is the calculation from the evidence.

All Top (or 3rd Yr) Rates Inclusive of Paramedic Pay

| Jurisdiction | Hours of Work | | Rate per Hours of Work | |
|----------------|-----------------|--|------------------------|---------------------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Highland Hts. | UX A (53 hrs) | | | |
| | CX 3 (53 hrs) | 58,452 (CX 3 & CX 20) * | 59,446 | 58,050 (CX 3) |
| Pepper Pike | CX 3 (53 hrs) | 61,800 (CX 3) | 61,229 ** | |
| University Hts | CX 3 (52 hrs) | 57,606 (CX 4) | 57,804 | 57,606 (CX 3) |
| Wickliffe | UX A (52 hrs) | | | |
| | CX 3 (52 hrs) | 59,525 (CX 22) | 57,804 | 57,703 (UX G) |
| Beachwood | CX 3 (51.7 hrs) | | 57,312 | 60,517 (CX 3, 8) |
| Mayfield Hts. | UX A (51.7 hrs) | | 57,312 | 58,376 (UX G) |
| Solon | UX A (51.7 hrs) | | | |
| | CX 3 (51.7 hrs) | 57,466 (CX 17) | 57,312 | 56,311 (CX 17) |
| Shaker Hts | CX 3 (51 hrs) | | 56,162 | 61,290 (CX 3, 7) |
| Independence | UX A (50.4 hrs) | | | |
| | CX 3 (50.4 hrs) | 3% 56,832.31 3+ 58,679.36 3+ 60,586.44 | | 55,177 (UX G) 55,177 (CX 3) |
| | | | | |
| Bay Village | UX A (50 hrs) | | 54,520 | 55,688 (UX G) |
| Cleveland Hts | CX 3 (50 hrs) | 58,411 (CX 18) | 54,520 | 53,056 (CX 3, 18) |
| S. Euclid | CX 3 (50 hrs) | **60,270 (CX 21) | 54,520 | 57,953 (CX 3, 21) |
| Lyndhurst | CX 3 (49.8 hrs) | 60,303 (CX 13) | 54,192 | 58,547 (CX 3, 13) |
| Rocky River | UX A (49.8 hrs) | 57,081 (CX 4, 16) | 54,192 | 55,151 (CX 16) 56,752 (UX G) |

* Full salary calculated on basis of proportionate increase for 2005 to paramedic pay alone. ** 2004 Independence rate x 103%

Beachwood and Shaker Heights, which are still higher in an adjusted basis, bear some similarities and differences with Independence. However, the differences (eg. Shaker Heights paramedic pool) easily allow them to be considered them to be outliers in the county for this purpose. Those with lower published salaries, most are inner ring suburbs. South Euclid/Lyndhurst are most anomalous. South Euclid has a long service department as suggested by a pay scale the reaches steps to 20 years. The third year was used here. Lyndhurst is undergoing a change of hours (51.7 to 49.8) not reflected in wage adjustments. In all the City is well with the range of the "top" cities although with a shorter work schedule.

Since the department is well positioned among its peers, the next inquiry is whether the increase is appropriate. The City claims it needs a low increase for 2005 because the 90/10 health plan will not be effective until 2006 when the City will have some cost relief. The Union correctly notes the 2 ½ % offer is well below the 3 ½ % in the statewide data (UX I).

The City has not proven a nexus between the healthcare plan and the wages. It has agreed to a 3%, 3 1/4%, 3 1/4% with the 90/10 plan with the dispatchers and the police. (The latter were voting at the time of hearing.) The necessity of a first year 2 ½ % for the fire division has no rationale grounding. The percentage the City has agreed to is 9 ½ % over 3 years which it is here offering less, 8 ½ %, for no reason unique to the fire department.

The Union needs to prove that something more (5%) is necessary and appropriate. As shown, it failed to establish this by external comparisons that the department was underpaid. A 3% increase would place the City in respectable range. At 5%, it would be \$57,936, above all affluent communities on an absolute basis. On an adjusted basis, for 53 hours Independence firefighters would receive \$62,419 annually. This is well above all other comparative cities. The proper adjustment is 3% increase for the first year.

The Union persists in the hurt over the 3 ½ % disparity to the police that resulted from the hours change in 1996 and 2004. Even without a reversion to 53 hours the City would want, any reparation would require 3 ½ % above the 9 ½ % over 3 years which the Union is not even requesting. A first year of 6 ½ % would severely skew the comparison in favor of this department. It would doubtless spark escalating parity complaints within the City. The Union says otherwise because the 3 ½ % would restore external parity and the FOP does not have that agreement. Unfortunately the premise that the fire division is underpaid by comparison has not been proven, so aggressive adjustment beyond external peers would set off a round of parity disputes internally.

The 3-3.25-3.25 pattern appears to fit the norm of the expected range. Solon is similar and University Heights is less than \$1,000 different on the annual salary scale and yet both work more hours per year. The comparison to Solon is particularly convincing due to the high degree of similarity. Both are combined residential, office and industrial communities and both have had the benefit of recent development. Both departments work similar hours and at a 3% first year increase, the compensation is close despite the slight difference in hours. The adjusted rates comparison supra supports this also.

The City has not established a unique basis for not having January 1, 2005 effective date for wage increase so the recommendation will be retroactive.

Recommendation: Section 34.01 wage and salaries on each table shall be increased as follows:

| | |
|-----------------|--|
| January 1, 2005 | 3% across the board increase (retroactive) |
| January 1, 2006 | 3.25% across the board increase |
| January 1, 2007 | 3.25% across the board increase |

ISSUE FOUR
ARTICLE XXXIV, COMPENSATION SCHEDULE: PARAMEDIC PAY

CONTRACT SECTION: Article 34

UNION PROPOSAL:

(New) 34.02

Retroactive to January 1, 2005, every Firefighter/Paramedic shall be qualified as a paramedic and shall be paid an additional \$2,000.00 per year, to be paid consistent with the employees' work schedule as part of the regular pay. As used in this section, qualified paramedic shall mean a Firefighter/Paramedic who has successfully completed a Paramedic course, certified by the State of Ohio, and who maintains a current paramedic certification under all laws of the State of Ohio, that govern said certifications, including any continuing education requirements. If a Firefighter/Paramedic performs duties as a "qualified paramedic" for only part of the year, or remains with the City of Independence Fire Department for only part of the year, the \$2,000.00 shall be paid pro-rata and consistent with the employee's work schedule. There shall be no lump sum payment of paramedic pay.

(New) 34.03

If the amount of Paramedic Pay provided to Fire Lieutenants under Ordinance No. 1994-49, Section 6(C) (\$2,000.00) increases during the lifetime of the current CBA, the amount payable to Firefighter/Paramedic under Section 34.02 shall increase to the same amount.

THE CITY'S PROPOSAL: The City proposes no changes

POSITIONS: The Union:

The Union's proposes that, retroactive to January 1, 2005, all firefighter/ paramedic be paid the additional \$2,000 per year. Under a 1994 ordinance the Lieutenants in the Independence Fire Department receive \$2,000 in paramedic pay in addition to their base salary. All firefighters in Independence are required to be paramedics.

The City incorrectly argues that when the paramedic requirement became effective, the paramedic pay was rolled into the firefighters' base salary because the employees were not given the additional paramedic pay. The additional \$2,000 in paramedic pay to the firefighters is only fair since the Lieutenants already receive this additional compensation. The additional \$2,000 in paramedic pay is needed to bring the City's department into parity with its peers. It is a means to

compensate the difference between the City department and the average of comparable communities. For those reasons, improved paramedic pay will not affect the City's negotiations with other bargaining units.

POSITIONS: The City:

The City is opposed to any provision providing additional compensation for paramedic certification. The parties had already previously agreed to roll the separate paramedic pay of \$2,000 into the base pay. This is evidenced in the two schedules in Section 34.01 of the Collective Bargaining Agreement. The difference between the two schedules shows that the \$2,000 additional paramedic pay was rolled into the base pay a number of years ago. The paramedic pay is currently \$2,632.00. The Union admitted during fact finding that during the late 1990's the paramedic pay was rolled into the firefighters' base pay and is shown by the two schedules.

FINDINGS AND RECOMMENDATION:

The Union has not proven any basis to change the paramedic pay. It argues for parity with Lieutenants, with comparable communities and to remedy serious underpay.

The City paid a \$2,000 stipend for the paramedic qualification beginning in 1994. Since that time the qualification became a requirement. When it did, the firefighters rolled the stipend into the annual salary schedule but the Lieutenants did not. Consequently there are two schedules evident in Article XXXIV, one with, and one without the stipend. The differential now is \$2,632, which over 10 years from 1994 is an annual growth of 3% on the original \$2,000. The history does not support any need to change this.

The Union disputes this analysis saying that when the qualification became a requirement, there was no added compensation. While that is accepted as true, the reasons for added compensation at that point is illusive. The payment is presumably in exchange for the qualification

the worker provides. The City does not pay employees for any decision the City may impose on itself for its hiring standards. At any event the argument was undeveloped.

The Union relies on comparables that are not supportive either. The comparable paramedic stipends are all less than \$2,632. The other argument is that the increase is a disguised method of raising the City's pay to remedy a serious under compensation. That has already been analyzed and found not to be the fact.

Recommendation: No additional paramedic pay.

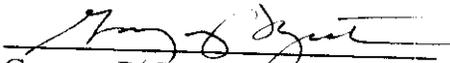
**ISSUE FIVE
TENTATIVE AGREEMENTS**

CONTRACT SECTIONS: Various

FINDINGS AND RECOMMENDATION:

The tentative agreement executed by the parties are a list of 9 items and an attachments relating to perfect attendance and to Alcohol and Controlled Substance covering new, changed and dropped items. (JX 1 and 2) By agreement the parties ask that the report and recommendation include it.

Recommendation: The Fact Finder recommends the adoption of the Tentative Agreement as agreed on March 23, 2005 consisting of 9 provisions and the perfect attendance and Alcohol and Controlled Substance policy attachments and signed by the parties representatives. Those documents are incorporated in total by this reference herein and become a recommendation.



Gregory P. Szuter, Fact Finder
Made and entered at Cleveland, Ohio
May 12, 2005

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