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**IN THE MATTER OF FACT-FINDING  
BETWEEN**

<b>CITY OF CUYAHOGA FALLS</b>	)	<b>CASE NO. 04-MED-11-1206</b>
	)	
<b>AND</b>	)	<b><u>FINDINGS</u></b>
	)	<b>AND</b>
<b>CUYAHOGA FALLS FIRE FIGHTERS</b>	)	<b><u>RECOMMENDATIONS</u></b>
<b>ASSOCIATION, LOCAL 494</b>	)	

**JAMES M. MANCINI, FACT-FINDER**

**APPEARANCES:**

**FOR THE UNION**

**Russell M. Pry  
Attorney at Law**

**FOR THE CITY**

**Virgil Arrington, Jr.  
Law Director**

## SUBMISSION

This matter concerns fact-finding proceedings between the City of Cuyahoga Falls (hereinafter referred to as the Employer or City) and the Cuyahoga Falls Fire Fighters Association, Local 494 (hereinafter referred to as the Union or Fire Fighters). The State Employment Relations Board (SERB) duly appointed the undersigned as fact-finder in this matter. The fact-finding proceedings were conducted on December 16, 2005 and January 4, 2006.

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 proceeding, this fact-finder attempted mediation of the issues at impasse. The issues remaining for this fact-finder's consideration are more fully set forth in this report.

The bargaining unit involved consists of all full-time firefighters, lieutenants and captains. There are approximately eighty-one employees in the bargaining unit.

This fact-finder in rendering the following findings of fact and recommendations of the issues at impasse has taken into consideration the criteria set forth in Ohio Revised Code Section 4117(G)(6)(7). The parties agreed that this fact-finder could issue his recommendations in summary fashion without the need for any detailed explanation. Therefore, this fact-finder after carefully reviewing the arguments and evidence presented by the parties hereby submits his recommendations with respect to each of the outstanding issues submitted.

## **1. EMPLOYEE HEALTHCARE**

The City proposes certain modifications to the Employee Healthcare Provision which would include changing benefit coverage from 100% to 90% for in-network services with maximum out-of-pocket costs of \$700-\$1,500. The City's proposal would also include the institution of a \$50 per visit emergency room deductible as well as a premium to cover step children of \$15 per child per pay. The City also proposes to include a requirement that employees' spouses obtain available coverage from their own employers. However if employee spouses would like to remain covered under the City's policy, they could do so with a monthly premium payment equal to the greater of one-third of the COBRA rate or any sum paid to the employee spouse by their employer for refusing coverage. The Union has proposed that there be no change in the current Employee Healthcare Provision.

The City notes that the changes which it has proposed were incorporated in an ordinance covering non-bargaining employees which is to take effect on April 1, 2006. The healthcare changes have also been accepted by the Utility Workers' Union which has settled its contract with the City. The City further maintains that its proposal would bring its Employee Healthcare Provision more into line with other municipal health plans in the area. The City is now asking that firefighters join in the same plan so that a single health plan for all employees can be maintained.

The Union has proposed that the parties use an outside insurance consultant to review the City's current self-funded insurance plan prior to engaging in shifting of costs

to bargaining unit members. The Union presented an independent insurance consultant who testified that his review showed that the City could save about \$940,000 per year on the cost of healthcare if administrative changes are implemented. The Union argues that the status quo of existing healthcare for employees should be maintained because it would be premature to shift costs to the employees when it was shown that significant cost savings could be achieved through reasonable administrative changes.

ANALYSIS – This fact-finder after reviewing the evidence presented finds that it would be appropriate to modify the current Employee Healthcare Provision. In that regard, the evidence supports the implementation of new co-pays and out-of-pocket maximums for in-network and non-network services which are proposed by the City. Likewise, it would be reasonable to implement a \$50 emergency room deductible which would be waived if the person is admitted to the hospital. The establishment of new co-pays and out-of-pocket maximums as well as an emergency room deductible which this fact-finder recommends would put the firefighters on the same healthcare plan as that which has been implemented for non-bargaining unit employees and accepted by the Utility Workers' Union. With these changes, the healthcare plan would be brought more into line with that found in other neighboring jurisdictions.

With respect to the other aspects of the City's proposal to modify the employees' healthcare plan, this fact-finder would recommend several changes. With respect to the spousal surcharge, this fact-finder has determined that it would be reasonable to allow spouses to remain on the City's policy with a payment of a monthly

premium equal to the greater of one-sixth rather than one-third of the COBRA rate for single coverage or any opt-out amount received by the spouse from their employer. With respect to the spousal surcharge, this fact-finder must take into consideration a recent fact-finder's ruling involving the police patrolmen unit. The fact-finder in that proceeding recommended a spousal surcharge of \$56 per month. This amount would be less than that which is being recommended herein of one-sixth of the COBRA rate which is approximately \$90. Therefore, this fact-finder deems it reasonable to include a Me-Too Provision which would provide the same spousal surcharge to this bargaining unit as that granted to the police unit. In addition, this fact-finder finds that there is a basis for recommending that dental implant coverage be provided along with an adjustment in life insurance to \$50,000 per employee and \$10,000 for retirees. Finally, the premium to cover step children cannot be recommended.

### **RECOMMENDATION**

It is the recommendation of this fact-finder that the Employee Healthcare Provision be modified as follows.

#### **EMPLOYEE HEALTHCARE**

- A. Amend language to provide for new co-pays and out-of-pocket maximums as well as an emergency room deductible as more fully set forth in Attachment A.

- B. Add a requirement that employee spouses who can obtain available healthcare coverage from their own employers may remain on the City's policy with a payment of a monthly premium equal to the greater of one-sixth of the COBRA rate of single coverage or any opt-out payment received by the spouse from their employer. A Me-Too Provision shall also be included which would provide this bargaining unit with the same spousal surcharge as that granted to the police patrolmen unit.
- C. The premium to cover step children is not recommended.
- D. Coverage for dental implants shall be provided.
- E. Life insurance adjusted to \$50,000 per employee and \$10,000 for retirees.

**ATTACHMENT A**

**City of Cuyahoga Falls  
Updated Proposed Language for  
Article 30, Hospitalization**

**Amend Article 30, Paragraph B as follows:**

B. The following summary of medical benefits will be effective January 1, 2006.

*Benefit Plan:*

Network:	Non-Network:
Percentage Payable after deductible is met: 90% / 10%	70% / 30%
Maximum Out of Pocket (excluding deductibles and co-pays) \$750 / \$1,500	\$2,000 / \$4,000
Deductible \$100 / \$200 (except office visit)	\$200 / \$400
Office Visits / Urgent Care \$10 co-pay	70% / 30%
The \$10.00 co-pay for office visits applies to all office visits including those for follow-up treatment for a single medical condition.	
Surgery 90% / 10% U.C.R.	70% / 30%
Anesthesiology 90% / 10% U.C.R.	90% / 10%

\$50 Emergency Room deductible - waived if admitted to hospital.

**Prescription Drugs:**

**Member co-pay for prescription drugs**

**Retail Purchases  
(supply)**

**\$5 generic /  
\$20 name brand**

**Mail Order Purchases (90 day**

**\$10 generic /  
\$40 name brand**

If a name brand drug is dispensed, the co-pay for name brand drugs applies regardless of whether a generic equivalent is available. Employees needing to take medication for at least ninety days shall, after obtaining two thirty day prescriptions of the drug at retail, obtain further refills through the City's mail order prescription drug service. Employees needing to take medication for less than ninety days may purchase said medication by mail order with the co-pay prorated at the rate of the mail order co-pay.

**Major Medical  
\$2,000,000.00**

## **2. RETIREE HEALTHCARE**

The City proposes to revise the firefighters' retiree healthcare benefit to match changes made for all other employees in 2003. The Union opposes any change to the retiree healthcare benefit. Currently, the City reimburses firefighter retirees for 100% of all premiums, deductibles, and co-pays required by the health plans offered by the Ohio Police and Fire Fund.

The City contends that it is merely asking the firefighters to accept the same provision for retirees which by ordinance since 2003 have been applied to all other City employees. The ordinance which was passed at that time set forth dollar caps on premium reimbursements with the caps increasing by 5% each year. In addition, for the various coverages provided to retirees, the City ordinance provided for payment of \$400 towards deductibles and co-payments. The City maintains that the current retiree healthcare benefit for firefighters has become much too costly, and it notes that most other public jurisdictions do not provide their retirees with any healthcare benefit.

The Union contends that it is only fair to retain the status quo of the retiree healthcare benefit which has been in the parties' Agreement for over thirty-five years. The shift of the cost of healthcare to the retirees and their spouses would affect those who can least afford the additional cost. Moreover as the Union's insurance expert stated, the City can achieve significant cost savings by making other changes to its existing health insurance plan.

ANALYSIS – This fact-finder recommends certain modifications to the current Retiree Healthcare Provision. The evidence showed that due to the 100% reimbursement provision, the cost of insuring firefighter retirees has skyrocketed for the City in recent years. Moreover since 2003, all other City retirees have been covered by City Ordinance 160-2003 which basically provides caps for premiums, deductibles, and co-payments. Considering such evidence, this fact-finder finds that it would be appropriate to modify the current healthcare benefit for firefighter retirees.

However in making the recommendation herein, this fact-finder finds merit in the Union's reasonable request that current retirees be red-circled so that they can continue to receive 100% reimbursement for premiums, deductibles and co-pays. It would be appropriate to apply the change in the retiree healthcare benefit only to those who retire in the future or after the date of the execution of the parties' new Agreement. This fact-finder must also take into consideration the insurance consultant's testimony regarding other possible cost savings and the fact that the current retiree healthcare benefit provision has been in the parties' Agreement for about thirty-five years. Therefore with respect to applying the ordinance to future firefighter retirees and their spouses, this fact-finder would recommend that the reimbursement for co-pays and deductibles be established at \$700 per year rather than \$400 set forth in the ordinance. Furthermore as stated in the ordinance, the retiree benefit would not apply to any employee hired on or after January 1, 2004. Finally, this fact-finder finds that there was insufficient basis established by the Union for its request that spouses who are covered by

other state pension plans be allowed to be reimbursed for healthcare costs under the firefighters' retiree provision.

### **RECOMMENDATION**

This fact-finder recommends certain modifications to the Retiree Healthcare Provision as more fully set forth below:

#### **RETIREE HEALTHCARE**

- A. Current retirees and spouses shall be red circled – Benefit to remain the same.
- B. All future retirees or those retiring after the effective date of the Agreement shall have the retiree healthcare plan set forth under City Ordinance applied to them, except that reimbursement for co-payments and deductibles shall be set at \$700 per year.
- C. Employees who are hired on or after January 1, 2004 are not to be covered by the Retiree Healthcare Provision.
- D. Contract language is to be modified to reflect the changes recommended herein.

### **3. HOLIDAYS**

The Union proposes several changes to the Holidays Provision. First, the Union proposes that Good Friday (½ day) become a full day for a total of thirteen holidays. The Union also proposes an increase in the amount paid for each holiday that is sold back. The third change proposed by the Union is to increase the overtime rate when an employee is called back to work overtime on holidays. The City proposes no change in the current Holidays Provision. However, it has offered to increase the overtime rate when a member is called in to work overtime on Thanksgiving or Christmas.

The Union contends that its proposals are being made in order to bring the firefighters into line with other bargaining unit employees in the City with respect to holidays. It is also intended to provide for some flexible scheduling due to the unique nature of the fire department.

The City maintains that the firefighters' holiday benefit is far greater than any other City employee group. According to the City, firefighters get more time off and have greater flexibility in scheduling or selling their time off than other employees.

ANALYSIS – This fact-finder would recommend that there be certain modifications to the current Holidays Provision. First, this fact-finder finds that there is support for recommending an additional one-half day for firefighters' holidays. This would mean that each firefighter would be granted thirteen holidays.

This fact-finder does not recommend the second proposal made by the Union which was to increase the amount paid for each holiday that is sold back. Currently, a

firefighter, if they choose, may sell a holiday back to the City for \$240. This amount appears to be reasonable and therefore no change is recommended.

This fact-finder does find merit to the Union's proposal that there be an increase in the overtime rate when a firefighter is called in to work overtime on two holidays. It would be reasonable to provide that an employee who is called in to work overtime on Thanksgiving or Christmas be paid at the double time rate.

Finally, this fact-finder would also recommend new language which would allow an employee to convert twenty-four hours of holiday into personal leave for use in one hour increments. Both parties appear to be in agreement regarding such a change to the Holidays Provision.

### **RECOMMENDATION**

With respect to the Holidays Provision, this fact-finder makes the following recommendations.

#### **HOLIDAYS PROVISION**

- A. Add one-half (½) holiday.
- B. Add language, "An employee may convert one twenty-four hour holiday into personal leave for use in one hour increments throughout the year."
- C. Modify Holiday Overtime Provision to provide that an employee who is called in to work overtime on Thanksgiving or Christmas be paid at the double time rate of pay.
- D. No change in the amount paid for each holiday that is sold back.

#### **4. COMPENSATORY TIME**

The Union proposes to modify the Compensatory Time Provision so that the discretion of the Fire Chief be removed and employees be allowed to elect the use of compensatory time. The City opposes any change in the current Compensatory Time Provision.

The Union maintains that other collective bargaining units in the City have similar language as it proposes here. In those units, compensatory time is allowed by department heads. The Fire Chief has been reluctant to allow firefighters to use compensatory time.

The City contends that it is essential that management retain the right to grant the use of compensatory time so as to maintain appropriate staffing levels at the fire stations. The Chief has not permitted the use of compensatory time if it would result in understaffing.

**ANALYSIS** – This fact-finder finds that there was insufficient basis established for any modification to the Compensatory Time Provision. For that reason, the current provision which gives the Fire Chief the discretion to deny the use of compensatory time should be maintained.

#### **RECOMMENDATION**

With respect to Compensatory Time, this fact-finder does not recommend any change in the current language.

**COMPENSATORY TIME** – Current language, no change.

## **5. WAGES**

The City proposes wage increases of 2.5% for each of the three years of the Contract. The Union seeks 4% annual wage increases as well as a reduction of the twelve and eighteen year pay steps to eight and thirteen years, respectfully. The Union also seeks to remove Step A of the firefighters' Salary Schedule.

The City contends that its wage proposal is reasonable considering that the top pay for firefighters is substantially higher than average and when combined with the best healthcare plan in the state as well as an average of 480 hours of scheduled time off per year, the firefighters' financial package is very good. The City points out that its financial health is in decline and it is for that reason it can no longer offer 3% raises each year as it has done in the past. The City also objects to the Union's proposal to change the number of steps in the pay range and to eliminate the entry level pay step. The City points out that the top pay for firefighters exceeds that of the patrolmen.

The Union believes that annual raises of 4% would be fair for this bargaining unit. Moreover, it would be appropriate to eliminate the entry level pay step for firefighters in order to bring the starting pay more into line with that provided to patrolmen. It would also be reasonable to reduce the twelve and eighteen year pay steps to eight and thirteen years respectfully, to match those of the police bargaining units.

ANALYSIS – This fact-finder recommends a 3% wage increase retroactive to July 1, 2005, a 3% wage increase on July 1, 2006, and a 3.2% wage increase on July 1,

2007. The recommended wage increases would be in line with the statewide average increases provided to firefighters. This fact-finder does not recommend the additional proposals made by the Union to remove Step A and reduce the pay steps for firefighters. The evidence shows that although the starting pay for firefighters is below that of police patrolmen, the top pay is greater. As a result, it cannot be said that by removing Step A it would establish true parity with the police unit. Although the firefighters take longer to get to the top step of their wage schedule, it was shown that the top pay for firefighters in Cuyahoga Falls is above the state average for firefighters in comparable jurisdictions. As a result, this fact-finder has determined that there was insufficient basis established at least at this point in time to make any adjustments as suggested by the Union to the firefighters pay schedule.

### **RECOMMENDATION**

This fact-finder hereby submits the following Wage recommendation.

#### **WAGES**

Effective July 1, 2005 – 3% wage increase.

Effective July 1, 2006 – 3% wage increase.

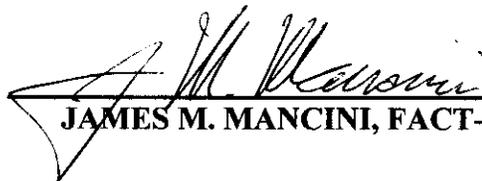
Effective July 1, 2007 – 3.2% wage increase.

There shall be no other change in the Wage Schedule as proposed by the Union.

**CONCLUSION**

In conclusion, this fact-finder hereby submits the above referred to recommendations on the outstanding issues presented to him for his consideration. Further, this fact-finder incorporates all tentative agreements previously reached by the parties which are to be included in their new Collective Bargaining Agreement.

**JANUARY 25, 2006**

  
A handwritten signature in cursive script, appearing to read "James M. Mancini", is written over a horizontal line. The signature is positioned to the left of the printed name.

**JAMES M. MANCINI, FACT-FINDER**