

STATE EMPLOYMENT
RELATIONS BOARD

Fact-finding Report and Recommendation

2005 JAN 27 A 11: 28

in the matter of Fact-finding between

City of Springfield

and

International Association of Firefighters Local 333

SERB Case No: 05-MED-08-0807

Marcus Hart Sandver, PhD

Fact finder

Hearing Date:		December 15, 2005
Post Hearing Briefs Received:	Employer	December 21, 2005
	Union	January 5, 2006
Recommendation Issued:		January 20, 2006

Representing the City:

Mr. Jerome Strozdes
City of Springfield Law Director
76 E. High Street
Springfield, Ohio 45502

Representing the IAFF:

Mr. Patrick Casey, President
IAFF Local 333
31 E. High Street
Suite 333
Springfield, Ohio 45503

I. Background

This case grows out of a dispute between the City of Springfield, Ohio (the Employer) and International Association of Firefighters Local 333 (the Union). The parties met on September 27, 28, October 3, 10, 18, 20, 28 and November 3 to negotiate a successor to the current collective bargaining agreement (CBA) which expired October 31, 2005. The bargaining unit consists of 127 fire suppression and emergency medical personnel. Through the negotiations of the parties, all but three items in dispute were resolved. The unresolved issues are:

1. Wages
2. Residency
3. Duration

It is the intention of this report that all issues that have been tentatively agreed to by the parties be incorporated into this report.

II. The Hearing

The hearing was convened at 10:00 AM at the 2nd floor conference room of Springfield City Hall. In attendance at the hearing were:

For the City of Springfield:

- | | | |
|----|-----------------|-----------------------------------|
| 1. | Jeff Rodgers | Personnel Director |
| 2. | Jerome Strozdes | Law Director – Chief Spokesperson |
| 3. | J. Mike Beers | Fire Chief |
| 4. | Nick Heimlich | Assistant Fire Chief |
| 5. | Michael Doan | Assistant Fire Chief |

For IAFF Local 333:

- | | | |
|----|--------------|--------------|
| 1. | Randy Keifer | Fire Captain |
|----|--------------|--------------|

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|----|----------------|--|
| 2. | Ken Dover | Fire Lieutenant |
| 3. | Patrick Casey | President Local 333 – Chief Spokesperson |
| 4. | Lonnie Snapp | Fire/Paramedic |
| 5. | Matt Bruns | Fire/Paramedic |
| 6. | James Spurgeon | Fire/Paramedic |
| 7. | Rodney Rahrle | Chairman of Bargaining Committee
Fire Captain |

Both parties asked that their pre-hearing exhibits be admitted into the record. The Union exhibit was marked IAFF Exhibit # 1 (with 22 tabs), the City exhibit was marked City exhibit # 1 (A). In addition, the City submitted the following exhibits into evidence during the hearing:

- | | | |
|----|------------------|--|
| 1. | City Exhibit # 1 | Major cause of our fiscal stress. |
| 2. | City Exhibit # 2 | Total income tax receipts. |
| 3. | City Exhibit # 3 | IH/Navistar withholding. |
| 4. | City Exhibit # 4 | City Manager's 2006 preliminary budget, dated November 1, 2005. |
| 5. | City Exhibit # 5 | General fund cash reserves. |
| 6. | City Exhibit # 6 | Reserve funds unencumbered cash. |
| 7. | City Exhibit # 7 | Positions left vacant 2006 budget. |
| 8. | City Exhibit # 8 | Permanent improvement fund's available resources. |
| 9. | City Exhibit # 9 | Memo from Michael Johnson, Vice President Moody's Investors Service to |

Robert Mauch, Deputy Director of Finance
City of Springfield. Dated August 5, 2004.

10. City Exhibit # 10 Wage increases by year 1995-2007.
11. City Exhibit # 11 Compound value of \$100 1995-2007.
12. City Exhibit # 12 Comparable city data population range 40,000-90,000.
13. City Exhibit # 13 Top pay Firefighter/PCI 2005.
14. City Exhibit # 14 Health premium costs 1999/2000-2005/2006.
15. City Exhibit # 15 Springfield Fire Rescue Division Fleet Replacement Schedule December 15, 2005.
16. City Exhibit # 16 Article 18 Residency Requirement.

The parties agreed that three issues remained in dispute 1) Wages 2) Residency 3) Duration. The parties proceeded to a discussion of the issues.

III. The Issues.

A. Wages – Article 44, Section A.

1. Union Position.

The Union position on wages was to request that Article 44, Section A, Schedule A Wages be changed to reflect a 3.5 percent increase in wages effective November 1, 2005, a 3.5 percent increase in wages effective November 1, 2006, and a 3.5 percent increase in wages effective November 1, 2007. In support of its position, the Union cited S.E.R.B. data for equivalent sized cities (50,000-80,000) throughout Ohio (Exhibit # 1, tab 1), data from cities in Southwest Central Ohio of all populations

(Exhibit # 1, tab 2), benefits reports from comparable sized cities (Exhibit # 1, tab 3) and benefit reports from geographical proximate cities (Exhibit # 1, tab 4). Wage increase reports from all equivalent sized cities (Exhibit # 1, tab 5) and wage increase reports from geographically proximate sized cities (Exhibit # 1, tab 6). The Union also provided general fund data from the City of Springfield (Exhibit # 1, tab 8) and staffing data for the Fire Department (Exhibit # 1, tab 9 and 10). The Union also produced an assessment of the City's finances as developed by Ms. Michelle Dove Shaffer, Director of Labor Issues and Collective Bargaining Department of the IAFF International Union in Washington, DC (Exhibit # 1, tab 12). Also included in Exhibit # 1 were some newspaper articles from the local newspaper (Springfield News-Sun), some data on incident response time (tab 20) and data from the United States Department of Labor on the Consumer Price Index for October of 2005 (tab 21).

2. City Position.

The City's position on this issue is to propose a zero percent increase on November 1, 2005, and the same wage increase to be given to the firefighters between January 1, 2006 and October 31, 2006 as given to the non-bargaining unit employees in the City effective November 1, 2006.

In support of its position, the City called its first witness, Jim Bodenmiller, Assistant City Manager. Mr. Bodenmiller testified that he had been the Assistant City Manager for the past 5 years and that he had served as the City Personnel Director for three years prior to that. Mr.

Bodenmiller testified that he had chaired the City budget task force for the 2006 budget. Mr. Bodenmiller discussed City Exhibit # 1 (Major causes of our fiscal stress). Mr. Bodenmiller testified that the City had experienced a \$10.5 million decline in general fund revenue. This was largely due to income tax decline, the freezing of the local government fund, the decline in estate tax collections and declining interest earnings. Mr. Bodenmiller went on to discuss the data in City Exhibits 2-9 emphasizing the fact that no wage increases had been given to non-union City employees or those represented by AFSCME in 2005.

The City's next witness was Mr. Jeffrey Rodgers. Mr. Rodgers testified that he had worked for the City of Springfield for 18 years. The last 5 as the City Personnel Director. Mr. Rodgers discussed City Exhibits 10-14. These exhibits show the history of wage increases for City employees for 1995 and 2006, comparability wage data for Ohio County Seat Cities of 40,000 to 90,000 population and health care premium costs from 1999-2005. Mr. Rodgers testified that AFSCME employees and non-union employees received a zero percent raise in 2005 and 2006. Mr. Rodgers testified that a step was added to the police wage schedule for 2006 and another will be added in 2007. Mr. Rodgers testified that command officers in the Police Department will receive a 2.25 percent wage increase in 2007.

Mr. Rodgers directed the fact finder's attention to City Exhibit # 12 and testified that according to his calculations top step firefighters in Springfield make 9.4 percent on average higher annual wages than top

step firefighters in comparable cities. Mr. Rodgers directed the fact finder's attention to City Exhibit # 14 and pointed out that health care premium costs have been increasing rapidly over the past few years and that the City pays 90% of an ever escalating health care premiums for the firefighters.

The next witness called by the City was Fire Chief Mike Beers. Chief Beers testified that he had been Fire Chief for the City of Springfield for the past 5 years. Chief Beers testified that he has been employed by the Springfield Fire Department for 30 years. The Chief testified that the Fire Department was restructured in 2001 to provide enhanced EMS service to the citizens of Springfield. In December of 2001, the Fire Department began billing for EMS runs. The Chief discussed City Exhibit # 15 and addressed the issue of fleet replacement, the cost of which is estimated to be in excess of \$2 million between 2006 and 2011. The Chief also addressed the uniform and equipment turnover which is estimated to be about once every five years per firefighter.

3. Discussion.

I can see from the City's exhibits that 2006 is estimated to be a tight year financially for the City of Springfield. A large part of this is due to the projected loss of 3,500 jobs lost due to the Navistar "downsizing" and eventual closing which has been going on since 2001. Quite honestly, this should come as no surprise to anyone in Springfield; the Navistar

plant in Springfield has been on the “chopping block” for the past 10 years.

In looking over the comparability data for the comparable sized cities statewide (IAFF Exhibit # 1, tab 1), four cities pay more to their top step firefighters than Springfield, 6 pay less (six pay more if you include the firefighter/paramedic job title). The calculated average for this group is \$49,753; Springfield pays its top step firefighter \$49,797 slightly above the average. For the geographically proximate cities (IAFF Exhibit # 1, tab 2), the average top step salary for the 11 cities is \$51,586; in Springfield the average top step salary is \$49,797 with 9 of the 11 cities paying a higher top step than Springfield. For the firefighter/paramedic job title, Springfield averages a top step salary of \$50,866 above the average of the 14 cities in this group of \$49,170. Seven of the fourteen paid more than Springfield, six paid less. The 90-10 health insurance premium was a little higher than the norm for the population equivalent statewide city sample, but about the norm for the geographically proximate city sample.

In looking over the City’s comparability data for similarly size county seats in Ohio, Springfield’s top step \$50,866 (firefighter’s paramedic) salary is 9.4 higher than the average; only one city of this group pays its top step firefighter/paramedic more, Hamilton.

The conclusion I draw from looking at all the comparability data is that Springfield firefighters are paid the average, or slightly above average, what their counterparts are earning at other cities. There is no

need for “catch-up” here nor no crying need for push salaries to the average-they already are average if not slightly above. The history of wage increases given over time (City Exhibit # 10) points to a solid 10 year history of substantial wage increases.

The financial picture for the City, at least for the past year and next year, does not look so rosy. Hiring freezes, declining general fund cash reserves, declining tax withholding income, no wage increases for the non-union of the AFSCME unit tell the story of a City facing fiscal challenges. On the other hand, new step increases in the police unit, and a scheduled increase of 2.25 percent for the police command staff in 2007 indicate that the City is not totally bereft of financial resources to provide some increases to its safety forces.

With these facts in mind, I recommend a small wage raise for the firefighters (1.5 percent) retroactive to November 1, 2005. In addition, I recommend a moderate wage increase of 2.25 percent for November 1, 2006. These increases should help the City weather the temporary fiscal crisis yet at the same time provide some protection for the standard of living of the firefighters. I am recommending a 2 year agreement in anticipation of better times ahead. The City’s Manager Budget message (City Exhibit # 4, p.5) predicts a “4.5% increase over actual 2004 receipts and the 2006 projects a 4.35% increase in income tax based upon a recent upswing in the local economy and stronger than expected construction activity”.

4. Recommendation.

That Article 44, Section A, Schedule A be amended to provide for:

November 1, 2005	1.5 percent wage increase
November 1, 2006	2.25 percent wage increase

B. Residency – Article 34.

1. Union Position.

The Union position on this issue is that the residency requirement in the current CBA be eliminated. Presently, members of the bargaining unit are required to reside in Clark County. The Union position on this issue is that improvements in communications (cell phones, pagers) have made it easier than ever for the employer to contact a firefighter, even one who resides outside of Clark County, to call him/her in for an emergency. Further, the firefighters cite the fact that Springfield Fire Department has mutual aid agreements with seven local fire departments which makes the necessity of 100% response from resident firefighters unnecessary. Finally, the firefighters state that ones decision of where to live is a personal decision affected by a number of economic and social factors and one that should be made by the individual firefighter not the City.

2. City Position.

The City position on this issue is to abandon the strict language of Article 34 which requires Clark County residency exclusively and to substitute new language which allows the City Manager to grant employees the right to reside in adjoining counties based on demonstrated hardship.

3. Discussion.

Admittedly, the language of the employer's proposed Article 34 does not go so far as to allow the individual firefighter complete discretion as to where he shall reside. The proposed change to Article 34 does give some latitude in allowing the firefighter to bring his/her case to the City Manager should some pressing need arise that necessitates out of County residence.

4. Recommendation.

Article 34 shall be rewritten to read:

Members shall be allowed to reside anywhere within the geographical limits of Clark County, Ohio. The City Manager may grant permission for an employee to reside in an adjoining county based on a demonstrated hardship for the employee or the employee's family.

C. Term of Agreement.

1. Union Position.

The Union position on this issue is for a three year agreement.

2. City Position.

The City position on this issue is for a two year agreement.

3. Discussion.

The parties have different perspectives on this issue. The Union wants a three year agreement with substantial raises each year. The Employer wants a two year agreement with no raises in the first year, and raises equal to that given other city employees (non-union and AFSCME) in year two. In this report, I recommend a compromise; a very modest raise in the first year and a moderate raise in the second year of the agreement. I feel a two year agreement gives both the City and the Union

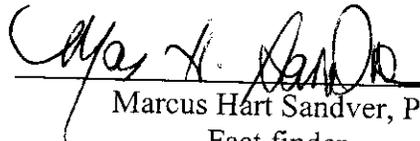
the ability to go back to the bargaining table soon, yet provides stability for the City's finances for 2006 and much of 2007.

4. Recommendation – Article 47 Term of Agreement.

This agreement shall become effective November 1, 2005. The agreement shall remain in full force and effect through October 31, 2007.

IV. Certification.

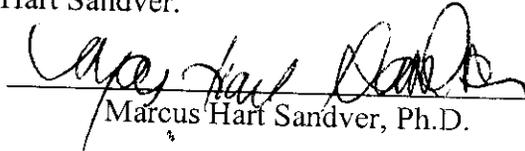
This Fact-finding Report and Recommendation is based upon evidence and testimony presented to me at fact-finding hearing conducted on December 15, 2005. The recommendations contained herein have been developed in conformity with the criteria for fact-finding as found in ORC 4117.14 (7) (a-f) and associated administrative rulings developed by S.E.R.B.



Marcus Hart Sandver, Ph.D.
Fact finder

VII. Proof of Service.

This Fact-finding Report was hand delivered to Jerome Strozdes, 76 E. High Street, Springfield, Ohio and to Patrick Casey, 31 E. High Street, Springfield, Ohio on January 20, 2006 by the fact finder, Marcus Hart Sandver.



Marcus Hart Sandver, Ph.D.