



STATE EMPLOYMENT
RELATIONS BOARD

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STATE EMPLOYMENT RELATIONS BOARD

MADISON FIRE FIGHTERS : CASE NO. 06-MED-01-0048
IAFF, LOCAL 3141 :
UNION :
and :
MADISON FIRE DISTRICT :
EMPLOYER :

REPORT AND RECOMMENDATIONS OF THE FACT FINDER

I. BERNARD TROMBETTA
Fact Finder
P.O. Box 391403
Solon, Ohio 44139
(440) 349-2110

October 16, 2006

I. DATE AND PLACE OF HEARING

This hearing was held on September 7th 2006 at the Madison Township Hall, 2065 Hubbard Road, Madison, Ohio.

II. PARTIES TO THE HEARING

The parties are the Madison Fire Fighters, IAFF Local 3141, hereinafter referred to herein as the "Union" and the Madison Fire District, hereinafter referred to as the "Employer" or "District".

III. APPEARANCES

The following persons appeared on behalf of the respective parties:

For The Union

James Astorino, President, Northern Ohio Fire Fighters
3100 East 45th Street, #214
Cleveland, Ohio 44127

Don Reis, Staff Representative, Northern Ohio Fire Fighters

Jim Bradbury, President, Madison Fire Fighters, Local 3141

Tod Baker, Union Negotiator, Madison Fire Fighters, Local 3141

Dustin Sample, Secretary, Madison Fire Fighters, Local 3141

For The Employer

Tom Grabarczyk, Consultant, Labor Relations Management, Inc.
6800 W. Central Ave., L-2
Toledo, Ohio 43617

Walt Zilke, Chief, Madison Fire District

Jacklyn Reznak, Clerk, Madison Fire District

IV. WITNESSES

Separation of witnesses was waived. The presentation was made by the respective representative of each side, written documents and exhibits. Individual witnesses gave limited testimony, usually in response to a particular issue.

V. EXHIBITS

UNION EXHIBITS

NUMBER	DESCRIPTION
1	Overview
2	District Receipts & Disbursements
3	Comparables of Receipts & Disbursements
4	Property Tax Revenues
5	EMS Billing Summary
6	Brookpark EMS Billing Summary
7	Wage Comparables
8	Wage Comparables with 3 Lake County cities
9	Wage Cost Effects
10	Comparables between District and Perry District
11.	District Wage History
12.	Employer/ Union Wage Cost Comparables
13.	Fire Fighter Hourly Rates
14.	Longevity Roster
15.	Longevity Comparables
16.	Health Insurance Premium Comparables
17.	Conciliator's Report
18.	Uniform Allowance Comparables
19.	Parma Collective Bargaining Agreement
20.	Willoughby Contract
21.	Promotion Clause
22.	Strongsville ULP charge
23.	SERB Probable Cause Finding
24.	Arbitrator's letter- Strongsville case
25.	Arbitrator's Award- Strongsville case
26.	Minutes of IAFF Board Meeting
27.	Fire Station Conditions Proposal
28.	Side Letter Proposal on station conditions

FOR THE EMPLOYER

1	Base Information
2	Offer's Pay Rates
3.	Wage Costing Percentages
4.	Analysis of Union's Wage Proposal
5.	Auditor's Certification of Resources
6.	Vehicle Aging Chart
7.	Amended Certificate of Resources, 2006
8.	Amended Certificate of Resources, 2005
9.	Conciliator's Award- 2004 Wages
10.	Conciliator's Report- OPBA & Agency
11.	Conciliator's Report- Lake Sheriff
12.	District Operating Expenditures 2003-2006
13.	SERB Benchmark Report- Fire Districts
14.	Wage Comparisons- Fire Districts
15.	SERB Quarterly- Wage Settlement Data
16.	Area Percentage Wage Increase Chart
17.	Paramedic Pay Comparison Chart
18.	Longevity Costing Schedule
19.	Longevity Comparison- Pleasant Valley F.D.
20.	Longevity Comparison- Cumberland Trail F.D.
21.	Health Insurance Proposal
22.	Health Insurance Proposal
23.	Health Insurance Costing Schedule- Madison
24.	SERB, 2004 Health Insurance Report
25.	Lake County Health Insurance Guidelines
26.	Letter to Lake County Employees- Health Insurance
27.	2005 Agreement- Sheriff & OPBA
28.	Health Insurance Contract Clause- Willoughby Hills

VI. INTRODUCTION

This is a fact finding matter involving Local 3141, International Association of Fire Fighters (IAFF) and the Madison Fire District. This unit consists of 12 full-time members (9 fire fighters and 3 lieutenants). Ten of the 12 members are paramedics or emergency medical technicians. The District also employs 24 part-time fire fighters and 2 part-time lieutenants who are not members of the unit. The new labor agreement will be the third

between the parties.

The District, created in 1971, is comprised of Madison Village and Madison Township. It consists of approximately 48 square miles with a population of 21,000. The District is largely rural. Most of the residential areas lie north of Route 20. There are, also areas of light industrial and agricultural usage.

The District is covered from 3 station houses, 2 of which are manned around the clock. Each of the full time stations are staffed by 4 full-time and 3 part-time fire fighters during day time hours. During night time, the staffing is reduced by one of the part timers. The District has a full-time chief earning over \$70,000 per year.

The parties met several times, but were unable to resolve 7 issues, including the mainline issues of wages and health insurance premium costs. The existing 3-year contract was the result of a conciliator's award, and expired on March 4, 2006.

VII. ISSUES PRESENTED

Seven issues were presented for fact finding. They are:

1. Article 15; Rates of Pay
2. Article 16; Longevity Pay
3. Article 20; Health Insurance
4. Article 28; Uniform Allowance
5. Article 239; Contract Duration

6. New Article; Promotions
7. New Article; Station Conditions

VIII. RECOMMENDATIONS

a. Factors Considered

The Fact Finder considered all relevant and reliable information introduced by the parties in support of their respective positions. The parties supported their respective positions with a variety of exhibits and comparative studies.

The Fact Finder, in accordance with Rule 4117-9-5(J), considered the following:

- a) the arguments and documentary evidence submitted by each party.
- B) Past collectively bargained agreements between the parties;
- c) Comparison of unresolved issues with other public employees doing comparable work;
- d) Consideration of factors peculiar to the area and classification;
- e) The interest and the welfare of the public;
- f) Ability of the employer to finance and administer the issues proposed;
- g) Effect of the adjustments on the normal standard of

- public service;
- h) Lawful authority of the employer;
 - I) Stipulations between the parties;
 - j) Any other factors not listed above which are normally taken into consideration in the determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private

ISSUE NO. 1

ARTICLE 15- RATES OF PAY

Union Position: The Union sought a wage adjustment of \$650 per year in each year plus annual increases of \$2,024 in 2006, \$2,106 in 2007 and \$2,188 in 2008. Additionally, the Union sought an increase in the Paramedic "stipend" to \$.75 in 2006, \$.80 in 2007 and \$.85 in 2008. The District believed that the Union also demanded that the hourly rates of compensation be changed to an annual rate. The Union's position statement did not request this change, but its wage proposals were couched in dollar amounts rather than percentages.

District Position: The City countered by offering 3% annual increases. It also proposed deleting the step or grade implementations contained in the current contract

and was opposed to any increase in Paramedic pay.

Analysis: In order to make a recommendation herein, it is necessary to first understand that the District, created in 1971, is a combination of the fire departments of a township and village, and unlike cities and other incorporated entities which operate out of a number of revenue sources and can supplement the operational expenses of their fire departments from the general fund, it must operate entirely on specific electorate approved tax levies. There are now 3 operating levies, a 2 mill levy passed in 1985, a 2.48 mill levy passed in 1999 and a 2 mill tax passed in 2006 for a total of 6.48 mills. In 2007, the District expects to realize between \$1.624 million and \$1.76 million in operating revenues. (Ex. E-5 and Ex. U-2 & 3). That amount, however, does not include a 5% hold back set aside in its capital account for equipment, and buildings (the District belongs to a regional dispatching system and is responsible for a percentage of equipment replacement).

In contrast, Painesville Township receives \$2.828 million, Concord \$2.931 for their fire departments, and Madison Township \$1.616 for its police department. (Ex. E-7). In addition, each of them receives additional revenues from other sources.

The District's equipment is aging (Ex. E-6) and the witnesses complained about the condition of the station houses.

The District was likely created to better deliver fire service

protection at lower costs to the residents. Until 1998, the District was staffed by part time fire fighters. Since that time the District has operated with both full-time and part time men.

A specific wage scale was established when the District went to full time staffing. That scale, if not then, is now substantially below other area fire departments, (Mentor, Willoughby, Eastlake, etc). Some area departments pay their part timers more than the District pays its full time fire fighters.

Nevertheless, the District, has filled its ranks at the low pay scale.

This is the third contract between the parties. The second contract was resolved through conciliation three years ago when the men received the cash equivalent of a 4% increase that was not added into the wage structure and 4% increases in the second and third years of the agreement. The unit is again seeking substantial increases in the new agreement which is likely to end in conciliation. The Union's desire to establish wage and benefit equalization with neighboring communities is understandable, but, plainly, is not attainable. The District must operate within the budget of its 3 levies and any increases offered by the county auditor's periodic re-assessments of real property valuations.

The Union's demand for wage supplements in addition to the increases, reduced to the usual percentages, amount to increases of 6.86%, 6.662% and 6.398% without regard to the 7% increases sought

for paramedic certification. The rationale behind the demand for the supplement is to compensate the unit for the 2004 lump sum payment that was not added to the basic hourly structure (making subsequent percentage increases based on the lower pay scale). This Fact Finder, however, is not inclined to reverse both the fact finder and conciliator in the 2004 contract by adding the lump sum payment back into the hourly rates.

The Board must balance its primary duty to deliver fire protection services to its residents with its obligation to provide a meaningful compensation package to those individuals who provide those services. Wage and benefit equalization with other communities is not mandatory, though certainly attractive from the employees standpoint. Wage equalization between the District and other surrounding communities is unlikely to ever be realized given the necessity of reliance upon voter approved tax levies. On the other hand, the men, already being paid a lower than average rate, cannot be made to experience a further erosion of real income due to continued increases in the cost of living (which is not covered by the District's 3% offer) coupled with the changes sought in health insurance coverage.

This Board does, however, have an untapped source of income that does not rely upon voter approval. It has the authority to institute a system of user fees for emergency medical transports. The Union argued that the District is one of only two area

departments that do not charge for this service and estimated that an additional \$446,000 per year can be raised without going to the electorate. The Chief acknowledged an unwillingness on the part of the Board to begin charging for these services. He also harbored a desire to hold such a program in reserve to use on station house improvements and equipment.

Obviously, the Fact Finder cannot recommend that the District begin charging for these services. The following wage recommendations were not made in anticipation of the District doing so, but upon present and anticipated income. Additional tax levies may be required in the future.

The paramedic stipend must be considered as a part of the over-all wage package since 10 of the 12 members of the unit receive it. The current stipend is quite comparable to that paid in surrounding communities. The Fact Finder cannot recommend an increase in paramedic pay. (Ex. E-17).

The District's demand for the elimination of the step increases is not supported by the evidence. Pay steps are contained in the recently expired agreement. The elimination of steps may serve to freeze some fire fighters at a lower pay rate, the net effect of which might result in a two-tiered wage system.

The Union's demand that pay rates be changed from the present hourly scale to an annual amount is likewise without supporting evidence. The current contract's pay scales are in hourly terms.

Everyone seems to understand the pay scales as written and no change is warranted.

RECOMMENDATION: The Fact Finder recommends: wage increases of 4.5%, 4% and 4% in each of the 3 years; against any changes in the current paramedic stipend of \$.70 per hour; retention of pay steps or grades; and a pay scale in hourly rates as in the present agreement.

ISSUE NO. 2

ARTICLE 16- LONGEVITY PAY

Union Position: The Union has demanded that Longevity pay be expanded to 25 years from the current 10 year cap.

District Position: The District is opposed to any changes in current contract language.

Analysis: The District's longevity schedule ranks at the lower end when compared to neighboring communities which cap the schedule at between 15 and 25 years. The gross amounts realized over the course of a typical 25-year career, are substantial with only Geneva coming close to the District. (Ex. U-15).

One of the purposes of longevity pay is to reward long term employees. Fire fighters are highly trained. Training costs money. Five of the 12 members of the department appear to have begun with the District in 1998 when it went full-time.(Ex. U-15). If the

District began full time operations with 12 men, then it obviously is losing men, perhaps to other departments or to other professions.

Longevity pay is an integral part of the total compensation package of each fire fighter and their total compensation package is well under the average paid to fire fighters in surrounding communities. Equalization with other communities is only one criteria on which to base a recommendation. In the instance, the Districts limited revenue sources outweigh equalization and leads to a recommendation against increasing the schedule at this time.

RECOMMENDATION: The Fact Finder recommends that the current Longevity Pay clause be retained in the new agreement.

ISSUE NO. 3

ARTICLE 20- HEALTH INSURANCE

District Position: This is a District initiated change and seeks five changes to the current health insurance coverage. (1) Employees shall pay 10% of the premium costs; (2) The employer may seek bids on other plans in order to control costs; (3) the elimination of duplicated benefits for spouses covered under other employer plans, and (4) redefine eligibility provisions; (5) make coverage dependent upon the employee maintaining active pay status. The District offered specific language for all changes

(Ex. E-21)

Union Position: The Union does not agree to any changes in Article 20 of the present agreement.

Analysis: The unit is covered under by a Preferred Provider Plan offered by United Health Insurance Company.

The District pays the full premium for the employee's coverage and 90% of the Family Plan coverage. The co-pays are modest, i.e. \$15 per office visit, \$35 per Urgent Care visit, \$75 per emergency room visit, unless admitted; \$15/\$25/\$40 in prescription expenses.

The District claimed that it absorbed 18% and 14% increases in the last two contracts and expects another increase on renewal once United analyzes its costs.

Realistically, there is little that this size employer can do to impact medical insurance costs except to shop for the best available deal such has been done in the past. The plain and simple truth of the matter is that health insurance costs have and will continue to increase in the immediate future. Prescription costs have fueled this spiral, and any reductions in prescription expenses due to changes in governmental policies are, at least at this point, purely speculative and may not even affect the drug costs for this unit.

Both the employer and employee are faced with continuing to absorb these increases. The employer is better able to provide this benefit in contrast to the employee obtaining individual coverage.

Both the employee and the employer are caught between the anvil and the hammer of medical costs, and no relief is in sight.

Recommendations:

(1) ACTIVE STATUS COVERAGE: The District sought language changes to Section 20.01 to limit health insurance coverage to those employees in active pay status only and cited as the reason therefor its experience with one employee injured on the job and now retired. The need for such changes prompted by this episode is not clear, particularly since an employee injured on the job is covered under Ohio's workers compensation laws. If an employee is injured on the job, coverage under employer sponsored health coverage is denied.

If the employee is full time and eligible for coverage, he should be provided with that coverage as the present contract provides. There is no need for an interpretation of the meaning of "active pay status". Present language of 20.01 should be retained.

(2) CHANGE OF CARRIERS: Under Section 20.03, the District has the right to change carriers or elect to become self insured. The current language protects the members by providing that benefits and coverage post change must be comparable or better than those paid pre-change.

The proposal shifts the language out of 20.03 into the new 20.01. The key change in the District's proposal is that it be permitted to make "reasonable" plan design changes subject only to

conferring with the Union prior to implementation of the changes. The proposal eliminates Union agreement to the changes prior to implementation.

The District also wants the unilateral right to make "reasonable" changes in the areas of coverage, i.e. costs of office visits, prescription co-pays, usage limitations, network charges and emergency room visits. The word "reasonable" is subject to differing interpretations depending upon the party making the determination.

Hospitalization benefits are a part of the collective bargaining process, and one side should not be given the right to make unilateral changes to this bargained right regardless of costs. The language of Section 20.03 should be retained.

(3) PREMIUM SHARING: The District proposed changes to Section 20.02 and provide that all employees pay 10% of the health insurance premiums. The Union, on the other hand, argued against any increase in employee contributions and urged either a reduction or cap. Neither counter-proposal of the Union can be recommended. The District experienced cost increases of 32% in the past 2 years. Without wholesale changes in its taxing structure, the District cannot continue to absorb such increases, and grant wage and benefit increases at the same time. Capping employee contributions ignores the continuing spiral of increasing costs of medical coverage.

Presently, the District pays 100% of the individual plan and 90% of the family plan costs. The District now wants each employee to pick up 10% of the premium costs regardless of plan. The request is reasonable, but the timing of the change is not. The District is seeking to implement those changes a full 5 months before its present plan expires. The changes in premium sharing should be implemented on August 1, 2007, otherwise the current language of 20.02 should be retained in the new agreement.

4. CHANGE OF CARRIERS: Section 20.03 now permits the District to change carriers or to become self-insured. Those provisions were moved to Section 20.01 with added provisos. There is no need to fine tune an existing article by shifting language out of one section and into another. The language of 20.03 should be retained without modification.

5. UNPAID STATUS BENEFITS: The District's proposal regarding hospital benefits for employee's on unpaid status are reasonable and therefore recommended (the 2nd, 3rd and 4th paragraphs of the proposal). This language may be placed in a new section or incorporated into Section 20.01.

6. DUPLICATION OF BENEFITS: The District seeks to avoid duplicated benefits when the same benefits may be provided under the spouse's employer sponsored medical insurance. The concept is correct, but the language of the proposal is too indefinite and cannot be recommended.

As long as medical coverage provided a member and his working spouse are equal in cost and benefits, the Fact Finder recommends requiring a working spouse to obtain and use those benefits.

The proposal does not address the issues of (1) higher premium costs, (2) lesser benefits and (3) greater co-pays on the working spouse's policy. The proposal contains no means for reimbursing a member for the added costs. If the District was self insured, a reimbursement program would be possible, but under the present United policy, the carrier would have the final say in determining whether to supplement another company's benefits, and that seems hardly likely.

The District would have to monitor hospitalization usage and determine whether the working spouse's coverage is the equal of the member's policy and should be obtained and/or used. The parties must provide the contractual language in conformity with the recommendations of the second preceding paragraph.

ISSUE NO. 4

ARTICLE 28- UNIFORM ALLOWANCE

Union Position: The Union proposed increasing the allowance from \$600 per year to \$800. Though the District alludes to the Union position as one demanding a request that the fire fighters be reimbursed for "fire related tools" no such request was contained in the position statement of the Union.

District Position: The City countered by offering \$25 per year increases over the 3-year life of the new agreement.

Analysis: Since no evidence was presented in support of the request for reimbursement of fire related tools, the inclusion of such language in this Article is not recommended.

The uniform allowance is an annual benefit paid to the unit to defray the costs of uniforms and related items. The District does not require proofs of purchase.

The Fact Finder is well aware that uniform costs are increasing. What the Fact Finder cannot determine, however, is the actual useful life of the clothing, shoes and related items. In order to establish this point, a 2 or 3 year survey of clothing and show purchases would have to be introduced as an exhibit. Otherwise, determining whether the annual allowance is sufficient or insufficient is pure conjecture.

The way around this problem would be for the District to act as a uniform commissary and neither side offered to adopt this plan. The District's offer will help offset the rising costs and, therefore recommended.

Recommendation: The Fact Finder recommends the adoption of the District's proposal regarding the Uniform Allowance of a \$25 per year increase over the life of the contract.

ISSUE NO 5

ARTICLE 42- DURATION

Union Position: The Union proposed that the new contract incorporate language waving the prohibition on a conciliator and permit him to make an award that can extend prior to the year in which the award is made.

District Position: The District opposed any changes to this article.

Analysis: In anticipation of this dispute going to conciliation, the Union sought to avoid the implications of ORC 4117.14(G)(11), but did not submit a written proposal. The limitations on the power of the conciliator were enacted by the General Assembly. The Fact Finder does not have the authority to overrule the legislature and should not be expected to invent language whose purpose is to negate the plain meaning of the statute.

Recommendation: The Fact Finder recommends against the adoption of this proposal.

ISSUE NO. 6

NEW ARTICLE- PROMOTIONS

Union Position: The Union sought language to establish a consistent system for establishing promotional lists.

District Position: The District opposed any attempts to adopting a written policy regarding promotions and wanted to continue to operate as it has in the past.

Analysis: The District does not have a written policy regarding promotions and is not covered under civil service. It was acknowledged that there have been no problems in the past regarding promotions. This Fact Finder is not capable of drafting a set of rules governing promotions and is not inclined to make a recommendation when both parties acknowledge that past promotion procedures have been uneventful.

Recommendation: The Fact Finder recommends against ordering the adoption a written set of rules governing promotions.

ISSUE NO. 7

NEW ARTICLE- STATION CONDITIONS

Union Position: The Union sought the inclusion of language addressing the living conditions in the stations. The changes or standards of the proposed changes were set forth in Ex. U-27.

District Position: The District stood opposed to these requests.

Analysis: The members expressed dissatisfaction with the living conditions of the station houses. The Union also proposed a side letter agreement (Ex. U-28) instead of a new

article in which a committee (Labor Management Committee- Article 10) would meet to determine what improvements and additions were to be made during the year. The proposal, however, called for arbitration in the event the parties failed to reach an agreement.

The present Committee has the authority to consider station house conditions without requiring arbitration of unresolved issues. The parties have not attempted to resolve station house conditions through the Labor-Management Committee. Since the present contract has not been utilized, a determination on whether the present system is satisfactory cannot be made.

Recommendation: The Fact Finder recommends against the adoption of the Union's proposal regarding station house conditions.

Respectfully submitted,

I. Bernard Trombetta
Fact Finder

SERVICE

A copy of the foregoing was served upon James Astorino, President, Northern Ohio Fire Fighters, 3100 East 45th Street, #207, Cleveland, Ohio 44127 and Thomas Grabarczyk, Labor Relations Management, Inc. 6800 W. Central Ave., L-2, Toledo, Ohio 43617 on this 16th day of October 2007 by courier or delivery service.

I. Bernard Trombetta