

**FACT-FINDING PROCEEDING UNDER THE AUSPICES OF THE STATE  
EMPLOYMENT RELATIONS BOARD**

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**IN THE MATTER OF:**

**THE CITY OF FINDLAY**

**- AND -**

**THE FINDLAY FIRE FIGHTERS, IAFF, LOCAL 381**

**SERB CASE NO.: 07-MED-08-0800**

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STATE EMPLOYMENT  
RELATIONS BOARD  
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**FACT FINDING REPORT AND RECOMMENDATION  
FACT-FINDER: DAVID M. PINCUS  
DATE: JULY 10, 2008**

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## PROCEDURAL CASE HISTORY

The disputed matter was formally argued on May 8, 2008 before David M. Pincus, Fact-Finder, pursuant to Ohio Revised code Section 4771.14 and Ohio Administrative Code Section 4117-9-05. The fact-finding hearing involved the City of Findlay (hereinafter referred to as the City or Employer) and the International Association of Fire Fighters, Local 381 (hereinafter referred to as the Union). The fact finding hearing was held at city hall.

The dispute involves one (1) bargaining unit. It consists of 73 employees, 57 fire fighters, 12 captains, 3 battalion chiefs, and 1 deputy chief.

The parties were able to reach tentative agreements on the majority of issues in dispute prior to the fact-finding hearing. Three mediation sessions were held on March 18, 2008, March 19, 2008, and April 18, 2008 where settlements were reached with the Fact-Finder's mediation efforts. In accordance with the parties mutual request, the Fact-Finder incorporates into the Report and Recommendation, by reference, all tentative agreements and resolved issues.

One issue remains at impasse: Longevity

This remaining issue shall be dealt with in a subsequent portion of this Report.

## **FACT-FINDING GUIDELINES**

The following portion of this Report and Recommendation shall identify each issue in this dispute, review the parties' articulated arguments and conclude with the Fact-Finder's recommendations. The recommendations which follow, moreover, are based on evidence and testimony presented at the hearing, and the parties' respective position statements and submissions. The recommendations contained herein were also derived by relying on applicable criteria required by Ohio Revised Code Section 4117.14(C)(4)(e), as listed in 4117.14(G)(7)(a-f), and Ohio Administrative code Section 4117-9-05(K)(1)-(6). These fact-finding criteria are enumerated in Ohio Administrative code Section 4117-9-05(K) as follows:

- (1) Past collectively bargained agreements, if any, 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

**The City's Position**

The City seeks to base longevity in a fixed dollar amount rather than the the existing percentage-based formula presently in the contract. The City, therefore, proposes the following longevity structure:

<u>Years of Service</u>	<u>Pay</u>
10 - 14	\$45 / pay period
15 - 19	\$65 / pay period
20 - 24	\$85 / pay period
25+	\$105/pay period

The City opines the existing contract language and resultant benefits are an aberration which surfaced during the last bargaining cycle. For approximately 20 years, the parties had negotiated a longevity allowance based on a series of fixed sums distinguished by a years of service criterion. The Union's percentage based formulation has only existed for three years and flies in the face of bargaining history.

Internal comparisons support the City's proposal. In 2007, the City promulgated ordinance No. 2007-107 (Employer Exhibit 2) which established a fixed non-percentage based longevity benefit for all non-elected officers and employees. This ordinance helped secure similar longevity benefits for other bargaining unit members employed by the City. Special emphasis was placed on longevity benefits enjoyed by the Ohio Patrolmen's Benevolent Association, Patrol Officers' Unit. It has a longevity payment schedule which is based on a fixed hourly rate (Employer Exhibit 3).

External comparisons further support the proposal. A State Employment Relations Board (SERB) survey suggests, on a state-wide basis, that flat rates based on years of service are the norm (Employer Exhibits 4 and 5).

The City strongly urges that the present schedule should be compressed. In other words, it wishes to reduce the number of steps to four by eliminating the thirty years and above step. Many employees in the eliminated step enjoy "drop" status. As such, the City views this facet of the existing schedule as a burdensome non-incentive.

The proposal appears fair in light of certain economic conditions. The wage bargain reached by the parties supports the proposed change in the longevity computation. It exceeds the statewide negotiated average wage and compensates bargaining unit members for any change. The parties did not negotiate a significant change in the health care package which reinforces the City's meritorious claim.

The City is unwilling to absorb the economic impact of longevity payments which the present configuration engenders. Since the last negotiation cycle, the language change has cost the City an additional \$125,000 (Employer Exhibits 7 and 8). This added cost appears especially unreasonable when the City's proposed change seems in tune with comparable other longevity provisions negotiated across the state, at levels which exceed the average benefit.

### **The Union's Position**

The Union seeks to retain the status quo. The disputed language in Article 25 (Union Exhibit 1) has been in the collective bargaining agreement since 2005 and there is no reason for a change. Neither internal nor external comparables support the negative consequences to be realized if such a modification in contract language is adopted or recommended.

The Union sought to support its position by focusing on the OBPA bargaining unit as an internal comparable. The OBPA bargaining unit enjoys a greater longevity benefit in the first two steps even though it begins two years earlier (Union Exhibits 4 and 5). The existing percentage-based structure, however, allows the Union's longevity benefit to exceed the benefits realized by the OBPA unit. The distinction is somewhat veiled, however, since the OBPA unit realizes certain other benefit advantages.

The Employer's proposal, however, would eliminate the present advantage enjoyed by the Union (Union Exhibit 6). At each step of the longevity schedule, there would be significant reductions ranging in severity from 62.5% to 87.5%.

External comparables further support the Union's proposal. A survey of seven jurisdictions (Union Exhibit 7) disclosed only two jurisdictions had fixed longevity payments based on realized years of service, while these jurisdictions base longevity on percentages. The remaining jurisdictions trigger longevity benefits as annual wages are increased. It, therefore, appears that the present calculation mechanism is similar to the percentage approach used by other jurisdictions.

Acceptance of the City's position would lead to devastating economic consequences. It would result in a loss of approximately \$37,000 per year of the contract (Union Exhibit 8). The agreed to wage increase would be further dampened by the rate of inflation. The bargained wage increase is less than the rate of inflation for 2008.

## **ARTICLE 25 - LONGEVITY**

### **THE FACT-FINDER'S RECOMMENDATION**

From the evidence and testimony adduced at the hearing and a complete and impartial review of the record, the Fact-Finder recommends a compromise to the disputed matter. The recommended longevity schedule follows:

<u>Years of Service</u>	<u>Pay</u>
10 - 14	\$60 / pay period
15 - 19	\$80 / pay period
20 - 24	\$100 / pay period
25+	\$120 / pay period

This schedule should become effective January 1, 2009.

The described schedule was selected for a number of reasons. Internal comparables represent a critical feature for any analysis, and represent the most critical determinative factor. No other bargaining unit nor bargaining unit employee has a percentage-based approach. Within this context, it becomes very difficult to retain this outlier outcome. Nothing in the record supports the use of this approach as a distinguishing necessary mechanism.

Bargaining history further negates the Union's position. For approximately twenty years, up until the effective date of the predecessor agreement, a fixed payment approach was utilized by the parties. The same approach was implemented for all bargaining and non-bargaining unit employees. A convincing rationale for retaining the status quo approach was never significantly raised by the Union.

The proposed schedule provides benefit levels which approach those enjoyed by the OBPA bargaining unit. It is difficult to reduce or eliminate all relevant offsets during one negotiation cycle.

Schedule compression is also recommended. None of the internal comparables have a step for "thirty years or more." The Fact-Finder's review of

several introduced documents (Employer Exhibits 5 and 6, Union Exhibit 7) fail to disclose any (Fact-Finder's emphasis) jurisdiction with this final step.

The Fact-Finder reviewed relevant comparables in determining the propriety of percentage versus fixed benefit approaches.<sup>1</sup> The comparables selected by the Union indicate three jurisdictions with a fixed percentage with two jurisdictions having a specified level of benefits per years of service (Union Exhibit 7). Clearly this represents an insignificant distinction in support of the Union's proposal. On a statewide basis, a State of Employment Relations Board Clearinghouse Benefits Report (Employer Exhibit 4) further negates the Union's position. Out of a sample of 114 jurisdictions, 86 reported specified set amounts for longevity benefits, while only 28 jurisdictions identified longevity benefits on a percentage basis.

With the reviewed data in mind, it becomes difficult to accept the Union's position from an economic perspective. The Union never rebutted the City's cost assessment regarding the fixed percentage approach. It absorbed a significant cost when the percentage approach was implemented during the previous negotiation cycle. An unjustified increase in light of the previously described comparables.

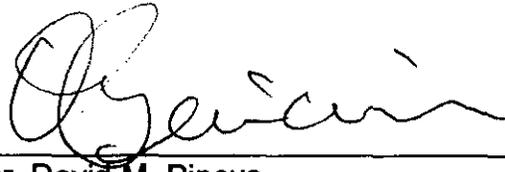
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<sup>1</sup> This review excluded those jurisdictions which incorporate longevity into pay scales. They represent a hybrid approach and are irrelevant to the present analysis.

7/11/08

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Chagrin Falls, Ohio



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Dr. David M. Pincus  
Fact-Finder