

Factfinding Report and Recommendations

in the matter of Factfinding between

THE EMPLOYMENT
RELATIONS BOARD

2009 APR 30 P 12: 57

City of Grandview Heights (Ohio)

and

International Association of Firefighters Local 1792

SERB Case No.: 08-MED-10-1063

Marcus Hart Sandver, PhD

Factfinder

Hearing Date: April 3, 2009
Decision Issued: April 28, 2009

Representing the City:

Marie-Joelle C. Khouzam
Attorney at Law
Carlisle, Patchen and Murphy, L.L.P.
366 E. Broad Street
Columbus, Ohio 43215

Representing the IAFF:

Henry A. Arnett
Attorney at Law
Livorno and Arnett, L.P.A.
1335 Dublin Road
Suite 108B
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I. **Background.**

This case arises out of a dispute over the negotiation of a successor to the current Collective Bargaining Agreement (CBA) which was in effect from January 1, 2006 until December 31, 2008. The parties to the dispute are the City of Grandview Heights Fire Department (the Employer) and the International Association of Firefighters Local 1792 (the Union). The parties have a longstanding bargaining relationship and have met numerous times during the autumn of 2008 and early winter 2009 for the purposes of renegotiating the agreement. Despite their best efforts, the parties were unable to successfully renegotiate a successor agreement. In February 2009, by mutual agreement, the parties chose Marcus Hart Sandver to serve as factfinder to the dispute. By mutual agreement, the hearing date was set for April 3, 2009. The unresolved articles are:

Article 9: Hours of Work and Overtime

Article 24: Insurance (four issues)

Article 25: Wages and Benefits (two issues)

Proposed New Article: Continuing Education

II. **The Hearing**

The hearing was convened at 9:00AM in the conference room of the Members First Credit Union located at 1445 Goodale Avenue in the City of Grandview Heights. In attendance at the hearing were:

For the City:

1. Ms. Joelle Khouzam City Attorney, Chief Spokesperson
2. Mr. Bob Dvoraczky City Director of Finance

3. Mr. Patrick Bowman City Director of Administration
4. Mr. Roy DeGraw Mayor, City of Grandview Heights
5. Mr. Hank Kaufman Chief, Grandview Heights Fire Department

For the IAFF:

1. Mr. Henry Arnett Attorney, Chief Spokesperson
2. Mr. Jim Dugger Firefighter/Paramedic
3. Mr. Martin Hafey Firefighter/Paramedic
4. Mr. Wilbur Helsel Firefighter/Paramedic
5. Mr. Mark Helsel Firefighter/Paramedic

The parties were asked to introduce exhibits into the record. The employer produced a multi-tabbed loose-leaf notebook with tabs 1-12g marked at City Exhibit # 1-12g. The Union produced a multi-tabbed notebook with tabs 1-20 which were marked as Union Exhibits 1-20. There were no objections by either party to any of the exhibits placed into the record. At this point in the hearing, the parties were notified by the Factfinder that the proceedings would be governed by the rules for factfinding as found in O.R.C. 4117.01 (et al) and associated administrative rules as promulgated by the Ohio State Employment Relations Board (SERB). The parties were informed that the Factfinding Recommendations would be formulated in accordance with the criteria for factfinding found in O.R.C. 4117.14(g)(7)(a-f) which are:

- a. Past collective bargaining agreements.
- b. Comparability with other public and private sector employees.
- c. The ability of the Employer to finance the recommendations.
- d. The legal authority of the Employer.

- e. The stipulations of the parties.
- f. Any other factors normally taken into consideration in such matters.

The Factfinder concluded his opening remarks by stating his intention that the Factfinding Recommendations include all the tentatively agreed upon provisions negotiated by the parties prior to the Factfinding hearing.

The parties were invited to make opening statements. Mr. Arnett began his opening by stating that there were four unresolved issues (identified above). Mr. Arnett stated his view that the external and internal comparables supported the position of the IAFF on the unresolved issues. Mr. Arnett informed the Factfinder that the Grandview Heights Police, represented by the Fraternal Order of Police had recently (February 9, 2009) ratified a 3 year agreement with the City which provided for 11 ½-12 percent increases over the next 3 years. Mr. Arnett noted that increases given to the Police are what motivated the Firefighters to Factfinding. Finally, Mr. Arnett stated his view that the City of Grandview Heights was in sound financial condition and had the ability to fund the increases sought by the Firefighters.

Ms. Khouzam began her presentation by emphasizing to the Factfinder that the last 30-50 days have wrecked havoc on the City's finances. The City tax of 2 ½ percent was rolled back to 2 ¼ percent in 2009 and will be rolled back again in 2011. Tax receipts have been negatively affected by unemployment and pay cuts experienced by the citizens of Grandview Heights during the recent recession. Ms. Khouzam noted that the non-union employees of the City received a 2 ½ percent wage raise in February 2009. Ms. Khouzam pointed out to the Factfinder that the City Council accepted the FOP contract by a one vote margin.

III. The Issues.

A. Issue One – Article 9 – Hours of Work and Overtime.

1. Union Position.

The Union position on this issue is that the compensatory time “bank” be increased from 240 hours to 360 hours. In support of its position, Mr. Arnett noted that the non-union city employees had a recent 50 percent increase in the compensatory time bank from 80 hours to 120 hours. In addition, Mr. Arnett pointed out that the Grandview Police have a 120 hour bank which for a person who works an 8 hour shift would be 15 working days.

2. City Position.

The City position on this issue is to maintain the current 240 hour bank for Firefighters. In support of this position, the City Representative pointed out that the Police in Grandview Heights work a 10 hour day so 120 hours would be 12 days, not 15. In addition, Mr. Dvoraczky noted that the CBA should be looked at in its entirety and that while unused compensatory time is usually “cashed out” when an employee retires it is nevertheless a cost item which will inevitably have to be paid.

3. Discussion.

The parties have already agreed in negotiations to modify Article 9.8 to allow compensatory time to be taken in 0.25 hour increments. The

evidence presented at the hearing does not point to a problem with the present 240 hour bank. I see no reason to change it at this point.

4. Recommendation.

That Article 9.8 be unchanged except for the changes already agreed upon in negotiations.

B. Issue Two – Article 24.1, Insurance.

1. Union Position.

Under the Union proposal, Article 24.1 would be amended to provide that if HSA accounts continue to be provided that they be fully funded by the City and that insurance cards and benefits information be distributed by January 1 of every benefit year. In support of its provision, the Union produced testimony from Mr. Jim Dugger who testified that the insurance cards in 2007 were not issued until 2 months after January 1. Mr. Dugger further testified that the members of the bargaining unit want the HSA benefit to be codified in the language of Article 24.1.

2. City Position.

The City position on this issue is that no change be made to Article 24.1. In support of this position, Ms. Khouzam noted that the HSA account plan is only two years old and that health insurance coverage is something that the City negotiates with insurers almost every year. Mr. Bowman testified that there were some problems with the administration of the HSA account health insurance program two years ago but asked the

Factfinder to note that these were problems caused by the insurance broker not the City. Mr. Dvoraczky commented that the City needs flexibility in the language of Article 24.1. He stated his opinion that the “substantially similar” language protected the bargaining unit members in any reduction of their insurance benefits.

3. Discussion.

There was a considerable amount of discussion of this issue at the hearing; as there has been at virtually every Factfinding and Conciliation hearing I have conducted in the last 10 years or so. Health insurance benefits are an issue that is currently being debated at the very highest level in our country. For employers, the goal is to have flexibility to choose the best and most cost efficient health insurance plan possible. I agree with the City that the Union’s proposed language (while not requiring HSA accounts) does limit the City’s ability to negotiate with insurers. It is possible that a plan year might start on July 1, not January 1. I agree that the “substantially similar” language protects the member’s interests.

4. Recommendation.

That no change be made to Article 24.1.

C. Issue Three – Article 24.2, Health and Dental Insurance Premiums.

1. Union Position.

The Union position on this issue is to maintain the present premium share at 8% capped at \$120 per month for family and \$60 per

month for single coverage. In support of its position, the Union representative asked the Factfinder to review its exhibits # 3, 4 and 5. In these Exhibits, the Union points out that the Firefighters paid no premium contribution until 2002 when the premium contributions became 5 percent. In late 2006, the premium contribution increased to 8 percent. The data in Union Exhibit # 5 show that the present 8 percent contribution with no cap represents the highest employee share for unionized firefighters for the twelve comparable cities and townships in the Franklin County area with the exception of Westerville.

2. City Position.

The City position on this issue is to keep the premium share at 8 percent for 2009, then to increase it to 10 percent for 2010 and to 12.5 percent for 2011. Each year there would be no caps on the dollar amount of the employee contribution. In support of its position, the City representative pointed out to the Factfinder that the City of Grandview Heights has only 6,700 residents and a total of 67 employees. The City representative pointed out to the Factfinder that the Cities and Townships used by the Union as comparables were all larger in population than the City of Grandview Heights. Finally, the City representative asked the Factfinder to note that the FOP contract provides for a 90-10 premium share beginning in 2010.

3. Discussion.

It seems to me that some sort of compromise can be devised to resolve this issue. The members of the bargaining unit are looking for some limit to the increases in health insurance costs they know are coming in the near future. The City is looking for some help in funding this increasingly expensive benefit which it knows will increase in cost in the years ahead. I would recommend a combination of the two proposals. I am recommending that the premium share remain at 92-8 for the year 2009 with a \$120 monthly cap for family coverage and a \$60 a month for single coverage. For the year 2010, the premium share would be 90-10 with a \$120 cap. For the year 2011, the premium share shall be 90-10 with the \$120 monthly cap for family coverage and \$60 monthly cap for single coverage. Presently a firefighter pays a \$99 per month family premium. Even with a 92-8 premium split, the monthly cost will almost certainly go to \$120 per month if the City's cost projection estimates are correct. At \$120 per month, the firefighter with family coverage will pay \$1440 per year for his or her health care. This is a considerable expense for entry level employees who earn on average a little over \$40,000 per year (without overtime); 3.6% per year by my calculations (back of the envelope methodology).

4. Recommendation.

That Article 24.2 be changed such that premium share remain be set at 92-8 capped at \$120 per month for family coverage and a \$60 per month for single coverage for the period December 17, 2008 until

December 15, 2009. For the period December 16, 2009 until December 14, 2010, the premium share shall be 90-10 capped at \$120 per month for family coverage and \$60 per month for single coverage. For the period December 15, 2010 until December 14, 2011, the premium shall be 90-10 capped at \$120 per month for family coverage and \$60 per month for single coverage.

D. Issue Four – Article 24.3, Life Insurance

Agreed upon prior to the hearing.

E. Issue Five – Article 24.6, Group Coverage.

Agreed upon prior to the hearing.

F. Issue Six – Article 25, Wages.

1. Union Position.

The Union position on this issue is to propose a 4 percent increase effective December 2008, a 4 percent increase effective December 2009, and a 4 percent increase effective December 2010. The Union support for this position is found in Union Exhibits # 6, 7, 8, 9, 10, and 11. The data in Union #6 show that in 2008 the Firefighters in the GHFD received a 7.61 percent less per year in adjusted wages than Firefighters in the municipalities of Columbus, Whitehall, Worthington, Westerville and Upper Arlington averaged together. The data in Union Exhibit # 7 show that in 2008 the Firefighters in the GHFD received 4.88 percent in adjusted wages less than Firefighters in the municipalities and townships in the Franklin County area averaged together. The data in Union Exhibit

9 show that in 2008 the Firefighters in the GHFD received 68 percent less in adjusted wages than did the officers in the GHPD. The data in Union Exhibit # 11 show that in 2009 the City of Grandview Heights negotiated an agreement with the FOP which will result in an 11.65 percent increase in wages and benefits over three years (IAFF calculations).

2. City Position.

The City position on this issue is to propose a 2.5 percent increase in 2009, a 2.0 percent increase in 2010 and a 1.75 percent increase in 2011. In support of its position, the City offered testimony by Mayor DeGraw. The Mayor testified that the City of Grandview Heights lost its largest employer in 2004 (Big Bear Stores) almost bankrupting the city, and the City has continued to suffer economic challenges ever since. The Mayor testified that there may be a potential revenue increase for the City from the Grandview Yard development but the Mayor urged the Factfinder to realize that the Grandview Year project still needs at least \$17 million in additional outside funding before site development can begin.

Mr. Dvoraczky testified that the City had a \$664,000 budget deficit in 2008 and is projecting a \$727,974 deficit in 2009. Mr. Dvoraczky testified that the City will receive \$916,319 less in revenue in 2009 compared to 2008 due to a decrease in the City Income Tax rate and due

to early retirement buyouts for some residents of the City which will result in decreased wages and thus decreased income tax revenues for the City.

3. Discussion.

The City of Grandview Heights was hard hit by the closing of the headquarters of Big Bear Stores in 2004. The City was able to maintain its financial viability through an increase in the income tax levy and aggressive cost cutting. There is no question that the City of Grandview Heights is one of the 3 or 4 most desirable locations in Franklin County due to its proximity to the Ohio State University, Battelle, Downtown Columbus, and due to its excellent school system, and due to the quality of its City Services. No other city of its size provides such a comprehensive range of high quality city services in the Franklin County area (and maybe the entire state of Ohio) than Grandview Heights. To maintain these services costs money to attract and retain the most highly qualified personnel available. The citizens of Grandview Heights know this; so do the administrators of the City. At the same time, costs must be controlled in these challenging economic times. The present recession will not last forever; indeed there are signs that the worst shocks to the economy may be over and the potential exists for opportunities for renewed growth and prosperity. The Grandview Yard project represents just such an opportunity. Unfortunately tax revenues from the Grandview Yard development won't be seen by the City for at least 2 years, maybe longer.

The Firefighters in Grandview Heights are some of the lowest paid in the Franklin County area, but there are compensatory differentials in terms of the quality of the benefits and the quality of working life that comes from living and working in Grandview Heights. The Firefighters are entitled to a reasonable wage raise. The City can fund a reasonable wage raise from the carry over balance in the budget and through increased operational efficiency in all areas of city services. With this in mind, I am recommending a 2.5 percent increase effective on December 17, 2008, a 2.5 percent increase effective on December 16, 2009, and a 2.5 percent increase effective on December 15, 2010.

4. Recommendation.

2.5 percent increase effective December 17, 2008.

2.5 percent increase effective December 16, 2009.

2.5 percent increase effective December 15, 2010.

G. Issue Seven – Article 25.2, Longevity.

1. Union Position.

The Union position on this issue is to propose a \$550 per year longevity payment after the completion of 5 years of employment plus an increase of \$50 per year to this payment for each year of employment thereafter. In support of its position, the Union cites data in Union Exhibit # 17 that shows the longevity payment for Firefighters in Grandview Heights has not increased since 1993. In Union Exhibit # 18, the data from comparable municipalities and townships shows that Grandview

Heights has one of the lowest longevity payments, if not the lowest, of the comparable employers of Firefighters in the area.

2. City Position.

The City position on this issue is to increase the longevity payment for Firefighters to \$500 after 5 years of employment and an additional \$40 per year for every year after this. In support of its position, the City cites fiscal responsibility.

3. Discussion.

There is no question that the longevity payments for Firefighters is low in Grandview Heights compared to most other municipalities and townships in the Franklin County area. This may be an issue the parties may want to revisit when economic conditions improve but the City's plea for fiscal restraint is certainly persuasive.

4. Recommendation.

After the fifth anniversary of employment, the employee shall be eligible for a \$500 longevity payment plus \$50 per year for each additional year of employment.

H. Issue Eight – New Article, Continuing Education.

1. Union Position.

This is a proposal by the IAFF to add new language to the contract which would affirm the City's commitment to provide the necessary training for the Firefighters to maintain their EMT-Paramedic certification. Current regulations require 92 hours of training every 3

years. Currently the Department provides the training in house when possible but sometimes it is necessary to send the firefighters to another Department. The Department tries to train the Firefighters on-shift but sometimes people have to come on their own time resulting in overtime payment.

2. City Position.

The City position on this issue is that the City has always provided the necessary training for the Firefighters to maintain their EMT-Paramedic certification and it will continue to do so in the future. The City position is that the language proposed by the Union is unnecessary and may lead to excessive and uncontrollable overtime costs.

3. Discussion.

I can see why the Union would like to have the current training practice of the Department put into the CBA. However, I don't feel that the Factfinding procedure is the appropriate way to achieve this end. Perhaps the Labor-Management Committee referenced in Article 28 of the CBA may be the appropriate forum to formulate a Training policy which could be incorporated into the Agreement at a later date.

4. Recommendation.

That this provision not be included in the agreement.

IV. Certification.

This Factfinding Report and Recommendations was prepared by me based on evidence and testimony presented to me at a Factfinding Hearing conducted on April 3, 2009 in Grandview Heights, Ohio.

Marcus Hart Sandver, Ph.D.
April 28, 2009
Columbus, Ohio

V. Proof of Service.

This Factfinding Report and Recommendations was mailed by regular U.S. Mail to Marie-Joelle Khouzam, Attorney at Law at 366 E. Broad Street, Columbus, Ohio 43215 and to Henry A. Arnett, Attorney at Law at 1335 Dublin Road, Suite 108B, Columbus, Ohio 43215 on April 28, 2009.

Marcus Hart Sandver, Ph.D.
Factfinder
April 28, 2009

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April 28, 2009

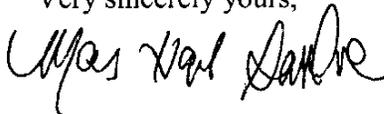
Mr. Edward Taylor, Chief
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STATE EMPLOYMENT
RELATIONS BOARD
2009 APR 30 P 12: 51

Dear Mr. Taylor:

Enclosed you will find my Factfinding Report and Recommendations involving the City of Grandview Heights and the LAFF Local 1792 (SERB Case No. 08-MED-10-1063). I have also enclosed an invoice for my services.

Very sincerely yours,



Marcus Hart Sandver, PhD
Factfinder

Enclosure