

STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD
CASE NO. 09-MED-09-0871
JANUARY 11, 2010
FACT-FINDING REPORT AND RECOMMENDATIONS

STATE EMPLOYMENT
RELATIONS BOARD

2010 JAN 29 P 12:11

In the Matter of the Fact-Finding Between: }
 }
City of Troy }
 }
 }
Employer or City }
 }
and }
 }
International Association of Firefighters Local 1638 }
 }
Union or IAFF }

BEFORE RICHARD J. COLVIN, FACT-FINDER

This Hearing was convened in the City of Troy, County of Miami and State of Ohio

APPEARANCES

For the City

Mark E. Lutz, Principal Representative
Denlinger, Rosenthal & Greenberg Co., LPA
Patrick Titterington, Director of Public Service & Safety
Thomas Funderburg, Assistant Director of Public Service & Safety
Richard Cultrice, City Auditor
Tim Brandenburg, President, McGowen & Brabender
Sue Knight, Clerk of Council
Chris Boehringer, Fire Chief

For the Union

Susan D. Jansen, Attorney for IAFF Local 1638
Doll, Jansen & Ford
Steve Schmitz, President IAFF 1638
Dale Thompson, Secretary IAFF 1638
James Neves, Vice-President IAFF 1638
Brett Harshbarger, FF/Paramedic, IAFF 1638
Eric Krites, Trustee, IAFF 1638

INTRODUCTION

The Fact-Finder received his appointment on November 18, 2009 in compliance with Ohio Revised Code Section 4117.14(C)(3). The parties jointly agreed to a starting time and to a location for this hearing, which was then duly convened at 10:30 a.m. on January 11, 2010 and adjourned at approximately 4:00 p.m. The parties stipulated that the Fact-Finder submit his written report on or before January 29, 2010. The parties provided the Fact-Finder with their respective positions, in a timely manner, prior to the hearing, and also provided the Fact-Finder with their Replies and Post-Hearing Brief's, as was agreed, subsequent to the hearing.

BACKGROUND¹

¹ Taken from the Hearing Briefs presented by the City and the Union.

The City of Troy is a statutory municipal corporation, which was established in 1808. Troy operates under a Council – Mayor form of government. It is located on the Great Miami River, on the Miami and Erie Canal and also on several important turnpikes. Troy has a population of 21,999 (2000 census). The City is approximately 20 miles north of the City of Dayton.

IAFF Local 1638 is the exclusive representative for the City's uniformed firefighters below the rank of Assistant Chief. The bargaining unit includes approximately 35 fire fighters and three (3) platoon commanders, all with their paramedic certification. The City and the IAFF have been parties to a series of collective bargaining agreements extending back before the Ohio Public Employees' Collective Bargaining Act took effect in 1984. The current Agreement expired December 31, 2009.

The City has several other bargaining relationships. The Fraternal Order of Police ("FOP") represents the City's police officers, police sergeants, police captains and police clericals/custodian in four separate bargaining units. Ohio Council 8, American Federation of State, County and Municipal Employees, AFL-CIO and Local 1342 ("AFSCME") represents the City's non-supervisory employees in its electrical, refuse, street, water plant, water distribution, sewage plant, sewer maintenance and cemetery departments. The City's agreements with all five of these bargaining units expired on December 31, 2009. The City has not yet scheduled fact-finding hearings for any of these units because the FOP and AFSCME have decided to wait until this fact-finding proceeding is finished before deciding whether to take the units they represent to fact-finding.

The Unresolved Issues

Neither the City nor the Union requested the Fact-Finder to mediate any unresolved issue.

The parties engaged in negotiations on September 21² and 29 and on October 15 and 28, 2009.

During the course of their negotiations, the parties were able to resolve all but three (3) issues. Such issues upon which they have reached a tentative and signed agreement are incorporated into and recommended for settlement in this Fact-Finding Report.

A. UNRESOLVED ISSUES:

1. Wages (Article 36)

The City proposes to increase wage rates 2% effective in 2010³, 2% effective 1/1/11; and 2% effective 1/1/12. According to the City this represents, with compounding, a total increase of **6.12%** over the life of the agreement

The Union proposes to increase wage rates 3.0% effective 1/1/10, 3.25% effective 1/1/11; and 3.5% effective 1/1/12.⁴ According to the City this represents, with compounding, a total increase of **10.07%** over the life of the agreement.

2. Medical and Life Insurance Coverage (Article 34)

The City proposes to modify the existing language to read as follows:

Section 34.1. The City will provide health care coverage throughout the term of this Agreement. The coverage will be comparable to the coverage currently in effect so long as the per-employee premium does not increase more than 2% per plan year. If the increase would be more than 2%, the City may select a different plan that will keep the increase at or below 2%, while keeping coverage as comparable as possible. Before selecting a different plan, the City will meet with the insurance Committee to review the available plan options and to solicit input from the Insurance Committee on the best choice among the available plans. The plan provided by the City will be no less favorable than the plan provided to the City's non-represented employees. The City reserves all rights as to determination of insurance carriers.

Section 34.2. Employees will pay 12% of the health insurance premium for the plan provided pursuant to Section 34.1 ("the standard plan"). The City will pay the balance of the premium. Employee contributions shall be made through payroll deduction as a condition of coverage. The City may offer a more expensive plan as an alternative to

² The City disputes this date and argues that on this date there were no negotiations, only a meeting in which the IAFF delivered its initial proposals. The principal representatives of the parties did not attend.

³ The issue of retroactivity is discussed later.

⁴ This represents a change in position from the Union's last proposal in the negotiations.

the standard plan; if the City does so, employees who select that plan will pay an amount equal to 12% of the premium of the standard plan plus the difference in cost between the standard plan and the more expensive plan. The City also may offer a less expensive plan as an alternative to the standard plan; if the City does so, employees who select that plan will pay an amount equal to 12% of the premium for the standard plan minus the difference in cost between the standard plan and the less expensive plan (but not less than zero).

Section 34.3. The City will maintain a dental plan benefit. The City reserves all rights as to the determination of the insurance carrier. The City will pay for 50% of the cost of each employee's dental plan coverage, including dependant coverage if applicable. The employee shall pay the remaining 50% through payroll deduction as a condition of coverage. The City will have no obligation to provide this benefit if the number of employees who elect to participate falls below the carrier's minimum participation requirement, if any.

Section 34.4. Eligible full-time employees are provided with group term life insurance in the amount of Fifty Thousand (\$50,000) dollars.

Section 34.5. The City will maintain its current Section 125 plan, permitting employees to pay for certain health care costs on a pre-tax basis.

The Union proposes that the existing language in Article 34.1 and 2. be left unchanged.

3. Duration Article 42 (in part)

The City proposes to modify Section 42.1. so that the initial wage increase shall be **effective upon the date the Agreement is signed**

The Union proposes that the wage increase for 2010 be effective on January 1, 2010.

B. ARGUMENTS MADE BY THE PARTIES IN SUPPORT OF THEIR RESPECTIVE POSITIONS ON THE OPEN ISSUES:

The Burden of Proof:

The Union has submitted an Opinion written by Fact-Finder David W. Stanton.⁵ I concur with the opinion of Fact-Finder Stanton.

⁵Fact-Finding report issued February 14, 2007 to the City of Troy and the FOP-OLC Troy Police Officers Association, in part: "...It is, and has been the position of this Fact-Finder, that the Party proposing any addition, deletion or modification of either contract

1. **A SUMMARY OF THE UNION'S POSITON**

Section 34.1 of Article 34 – Medical and Life Insurance Coverage

While the Union proposes to maintain the current contract language, the City proposes a “wholesale revision to Section 34.1” by:

- (a) proposing to remove any guarantee the Union has with respect to plan design
- (b) should the premium increase more than 2% per plan year, then the City may unilaterally select a different plan to keep the increase below 2%.

The City argues that it needs relief because:

- (a) It projects declining revenues in 2010 and;
- (b) The Union has not “cooperated” with the City in its desired plan design changes in the past.

The Union submits that both arguments are not supported by the facts developed during this hearing.

With respect to the arguments the City has advanced concerning its finances:

(a) A decline in income tax revenue supports both the City’s wage request and its health insurance proposal, however:

(b) While the city’s income tax revenue declined in 2009 vs. 2008, the 2009 revenue of \$12,755,248 is comparable to the City’s 2005 revenue, (City Ex. 1-C), yet in 2005, the Union and the City negotiated a 3.5% wage increase. (Un. Ex. Wages at Tab D)

(c) There are other revenue sources, some of which increased in 2009. 2009 actual year-end receipts were less than a million dollars below 2008 actual receipts. (Un. Ex. Wages at Tab C). 2009 expenditures were less than 2008 expenditures. 2009 revenues exceeded expenditures by approximately \$1,340,532 in 2009. (Un. Ex. Wages at Tab C)

language; or, a status quo practice, where an initial Collective Bargaining Unit may exit, bears the burden of proof and persuasion to compel the addition, deletion or modification as proposed. Failure to meet that burden will result in a recommendation that the Parties maintain the status quo, whether that is the previous Collective Bargaining language or a practice previously engaged in by the parties.”... (See as City Exhibit 1-A at 8)

A financial analysis by the IAFF based upon a review of the City's financial documents, dating back to 2003 (Un. Ex. Wages at Tab A) concluded that the City's unreserved general fund balance has consistently increased from 2003 to a total of over \$40,000,000 by the end of 2008. The IAFF also looked at the City's asset to liability ratio and found that there was a ratio of 12.96 at the end of the fiscal year 2008. This meant that the City had general fund assets of \$12.96 for each \$1.00 in the general fund liability.

The IAFF concluded its Report by noting: "The City has positive fund balances, positive asset to liability ratios, and the general fund balance as a percentage of expenditures is well above Moody's threshold. The general fund balance increased 14.5% from FY 03-FY08 while the general fund asset to liability ratio increased 19.6% for the same time period." (Un. Ex. Wages at Tab A.

The Union contends that Mr. Coltice's testimony, in large part, supported the Union's position, in that:

- (a) Moody's Bond rating is AA2 which is the highest it can be for a City of Troy's size.
- (b) The City's large unreserved general fund balance was primarily due to the sale of its Electric Plant in 1969. 25% of that
- (c) 25% of the investment revenue goes back into the unreserved fund while 75% of the investment income goes into the general fund.
- (d) While the unreserved fund cannot, by ordinance, be used to pay operating expenses, Council can change that ordinance.
- (e) The projected City budget deficit of \$4, 831 million in 2009 did not occur.
- (f) The City was projected to do better in 2010 and that the 2010 deficit of \$3 million is less than the 2009 projections.
- (g) Evidence by the City was that the 2010 personnel budget is approximately \$1.3 million less than the 2009 budget – the result of: (1) successful reorganization over the past several years; (2) the lack of a 27th pay; (3) the carrying forward of 4 vacant unfunded positions [one of which is in the Fire Department] and leaving 7 additional positions vacant in 2010. (City Ex., 1-D)

The Union submits, that, while the Fire Department contributed \$1.2 million to the general fund in 2009, and is operating with one (1) less bargaining unit person, the City chooses to spend money in other areas which causes the Union to question the City's priorities. For example, in August 2009, the City spent approximately \$14,000,000 renovating a conference room and committed to spending \$24,999 in 2010 to dredge a lagoon. (Un, Ex. Wages at D). While the City chooses to focus on the single issue of income tax revenue, the Union presented evidence of the growth of the City's economy:

- (a) Hobart Ground Power increased its sales by over 15% in 2009 and in 2008.
- (b) The City welcomed six (6) new industrial companies which, when combined with projected expansion at 5 other manufacturing firms, will create more than 200 more jobs in 2010 and beyond.

The City failed to demonstrate that its financial outlook for 2010 and beyond supports its proposal to "radically" change Article 34, Section 34.1 regarding the health insurance plan design, The City's proposal does nothing more than shift the cost of health insurance from the City to the employees. This is not warranted under the circumstances.

Mr. Brandenburg, health insurance consultant to the City for over 25 years testified:

- (a) The City's average annual percentage increase for health insurance premiums from 1994 to 2009 were 7.19% and a positive sign that the City and the Union have worked together to control health insurance costs.
- (b) Many cities in the surrounding jurisdiction of a similar size would be envious of that percentage increase.
- (c) Those cities with the flexibility in plan design that the City of Troy is seeking have experienced higher increases than has the City of Troy.
- (d) 2009 premium rates decreased by 3%. He expected 2010 monthly rates will increase by 8% to 10% for the same plan design while a minimum increase rate of 2% would necessitate "significant plan design changes."
- (e) Mr. Titterington testified that under the City's proposal it could implement a high deductible plan and would not have to provide the employee's with any of the deductible in a health savings account. While he said the City "would not" implement such a plan, he admitted the City's proposal "would allow" the City to do so.

External comparables it is argued support the Union's position. Among the 8 cities surveyed, the City of Troy's premium cost is second to the lowest. Only the city of Miamisburg has a lower premium and it is for a lower plan. (Un. Ex. Health Insurance Tab (G)). Finally, the City's premium costs have increase approximately 202% since 1990; However, the employees' premium costs have increased approximately 1006%.

As for the City's argument that the Union was not cooperative in considering other health plan changes now or previously, or that when requested to consider modifying the language such "requests were not favorable received" Union testimony shows that the Union representatives did express interest in being educated and in educating the other Union representatives on whatever other plans the City was considering.

2. A SUMMARY OF THE CITY'S POSITION

1. WAGES (Article 36)

A. The City's Declining Revenues Support the City's Proposal

In 2009 the City was not spared the recessionary forces that have strained state and local government budgets across the country. The City, in its hearing brief, projected 2010 income tax revenues to be only \$11,730,000, a further decrease of \$1,025,028 or 8% (see City Exhibit 1-D, 2010 Recommended Budget, p.6) from the decrease of \$1,355.655 or 9.6% (see City Exhibit 1-C, Income Tax revenue 2000-2009) in 2008).

If the City Auditor's current projection is realized, the City's income tax revenue will have declined from \$14,110,683 in 2008 to only \$11,425,000 in 2010, a drop of 19%. The testimony of the City Auditor and the City's Director of Public Service and Safety made it clear that the City is operating at a deficit and is paying its bills only by reducing the balance of its General Fund. This cannot continue indefinitely; on current trends the General Fund balance would be a negative \$1,800,000 by the end of 2014 (City Exhibit 1-D at p.17).

The IAFF did not dispute this at the hearing. Instead, the IAFF ignored the current and projected operating deficits and pointed instead to an alleged \$40,000,000 General Fund balance as support for its position that the City can afford to pay what the IAFF proposes. Raiding an investment fund started in 1969 and preserved inviolate ever since, simply to fund wage increases not needed to keep the City's pay rates at the top among comparable communities, would be irresponsible.

There can be no question that Troy has an operating deficit, and that the City will bring in even less revenue in 2010 than 2009. It is simply not reasonable to try to blink away this reality and pretend that it is still 2008, but this is what the IAFF wage proposal does.

B. Internal Equity Supports the City's Proposal

The IAFF did not dispute at the hearing that the City's non-represented and managerial employees will, by ordinance, receive only 2% annual increases in 2010, 2011 and 2012 (see City Exhibit 1-E, Wage and Benefit Ordinances)⁶ and that the City has not agreed to wage increases greater than 2% in negotiations with any of its other represented employees.

C. External Comparables Support the City Proposal

Troy's compensation rates compare favorably to the rates paid by comparable cities. Troy surveys all cities located within 35 miles of Troy with a population between 10,000 and 30,000. The Union, however, rejects the inclusion of cities smaller than Troy.

The IAFF claims that Troy's top pay is 5% below average by ignoring the longevity pay that Troy firefighters receive – 2% for every 5 years of service. Fact-Finder Stanton discussed a similar attempt by the FOP three years ago to make Troy's compensation rates look lower than they really are by not factoring in Troy's longevity pay. "Troy's longevity pay is indeed an important consideration based on the 2% increase for every 5 years of service. This is in addition to any increase based on the January 1 effective date of the succeeding year." (See City Exhibit 1-A at p. 12).

⁶ FLSA exempt employees had their pay ranges increased by 2%; individual employees within those ranges may receive increases greater or less than 2%.

Five firefighters receive 2% in additional pay, eight firefighters receive 4%, fourteen firefighters 6%, four firefighters receive 8%, and two firefighters receive 10%. Thirteen firefighters will qualify for another 2% increase in longevity pay during the term of the next three-year agreement, in addition to any scheduled wage increase. Taking longevity pay into account, the IAFF survey would show that Troy's top firefighter rate is 5% above the survey average, not 5% below. The IAFF wage survey also misrepresents wage rates. For example, it was reported that Xenia firefighters would receive 3% annual wage increases in 2010 and 2011. In fact, Xenia firefighters agreed to a 5% wage reduction effective August 28, 2009, with this reduction remaining in place for over 16 months until February 5, 2011 (at which time the parties may agree to extend it). (See Xenia/IAFF Local 698 Memo of Understanding, City Binder of Firefighter Agreements, Tab K.)

Citing further examples, the City contends that the IAFF survey information is useless. The City states that it has redone its survey using six cities that both the City and the IAFF used in their initial surveys: Miamisburg, Piqua, Sidney, Trotwood, Vandalia and Xenia. Troy's starting pay is lower than 4 of the 6 cities, and is 4.5% lower than the 6-city average (See attachment B). In the IAFF's own survey, Troy takes its firefighters to its top step faster than any comparable department (See IAFF Wage Exhibit D, p.1), and that, together with longevity pay, means that Troy firefighters compare very well to the firefighters in these six comparable communities for the rest of their career.

A Troy firefighter with 10 years of service will earn \$62, 895.91 in 2010. This is more than the amount paid to firefighters in 4 of the 6 other cities and 5.2% more than the 6-city average of \$59,803.67 (See Attachment D). A Troy firefighter with 15 years of service will earn \$64,105.45 in 2010. This is more than the amount paid to firefighters in all 6 of the 6 other cities and 6.8% more than the 6-city average of \$60,042.11 (See Attachment E). 20 of Troy's 37 firefighters have 15 or more years of service (See Attachment A) and so receive higher pay than firefighters in any of the six cities that Troy and the IAFF agree are comparable. A Troy firefighter with 20 years of service will earn \$65,314.98 in 2010. This is more than the amount paid to firefighters in all 6 of the 6 other cities and 8.5% more than the 6-city average of \$60,221.29 (See Attachment F).

A Troy firefighter with 25 years of service will earn \$66,524.52 in 2010. Again, this is more than the amount paid to firefighters in all 6 of the 6 other cities and 10% more than the 6-city average of \$60,420.39 (See Attachment G).

Interestingly, and as a final comment, the City recounts that the IAFF commented at the hearing that the IAFF was making its present wage demands only to insure that IAFF members still “came out ahead” if the Fact-Finder recommended the City’s proposed health care insurance language, and the IAFF members someday have to pay more in co-pays or deductibles for health insurance.

2. MEDICAL AND LIFE INSURANCE COVERAGE (Article 34)

- A. The IAFF has no history of cooperation on changing plan design to minimize premium increases.
- B. The IAFF’s unwillingness to discuss plan design changes continued in the current round of negotiations
- C. Putting changes off for three more years is no solution
- D. The employee’s 12% contribution obligation does not provide an adequate incentive to agree to plan design changes.
- E. The City’s 2% escalator provision is a promise, not a threat.

As Assistant Director of Public Service and Safety Tom Funderburg and Director of Public Service and Safety, Patrick Titterington explained at the hearing they want good health insurance for themselves and their families, and for all the employees of the City. They recognize that this may require the City to accept an increase of more than 2%. The 2% escalator was never intended as an absolute cap, but rather as a promise that the City will spend that much more each year, with the right to consider plan design changes if the premium increase exceed that amount.⁷

F. It has been argued that external comparables support the City’s proposal. The City’s proposal does not give it the complete flexibility to change its health insurance benefits that four of the six cities in its modified survey group already have. The City’s proposal simply gives it the flexibility to avoid premium increases over 2%, while keeping employee contributions capped at 12%

⁷ On fact, the City’s benefit ordinance for non-represented employees uses a 3% escalator before plan design changes can be made (See City Exhibit 1-E). The City would accept the same escalator here.

The City's insurance consultant testified that the flexibility the City seeks here is already part of most public sector labor agreements and is increasingly the trend. The IAFF presented no evidence to the contrary.

For all these reasons, the Fact-Finder should recommend that the City's health insurance proposal be adopted.

3. DURATION (Article 42)

The City proposes that the 2010 wage increase go into effect on the signing of the new agreement. The IAFF proposes that the 2010 wage increase be effective January 1, 2010. There was little discussion of this issue at the hearing. The City takes the position that the IAFF essentially decided to abandon negotiations and go to fact-finding on October 17, 2009, after only two meetings, and this action supports the Cities' position.

**FACT-FINDERS ANALYSIS AND RATIONALE UPON THE
UNRESOLVED ISSUES**

STATUTORY CRITERIA

When making his analysis and recommendations upon the unresolved issue(s), the Fact-Finder has been mindful of and has been guided by the criteria set forth in Ohio Revised Code Section § 4117.14 (C)(4)(e) and Ohio Administrative Code § 4117-9-05(K).

- (1) Past collectively bargained agreements, if any, between the parties;
- (2) Comparison of the issues submitted to final offer settlement relative to the employees in the bargaining unit involved 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) The stipulation of the parties;

(6) Such other facts, not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of the issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution proceedings in the public service or private employment.

The Fact-Finder has reviewed and set forth herein a brief summary of the proposals, positions, arguments, statistics and evidence submitted by the City of Troy and the Union, International Association of Firefighters, IAFF Local 1638. The Fact-Finder has also reviewed the testimony of the witnesses given at the hearing. Having done so, the Fact-Finder has utilized this information in formulating the following recommendations upon the unresolved issues for the consideration of the City and the Union.

1. ARTICLE 34 - SECTION 34.1

MEDICAL AND LIFE INSURANCE COVERAGE

The Union has presented the more persuasive position on this issue. The Fact-Finder recommends that the provisions of Section 34.1 remain as they were negotiated by the Parties for the duration of this Agreement.

The City's has experienced and now enjoys an excellent premium rate. There has been no testimony that the City will be, during the life of this Agreement, unable to meet its premium obligations due to any increase in premiums levied by the carrier. Yes, it would be advantageous to keep rate under 2% but at what cost to the members of the bargaining unit? The City also proposes to keep the present Plan only if it can keep the cost from exceeding the 2%. Decisions as to Plan changes/design/employee contributions would rest with the City. Significantly, as pointed to by the Union all six (6) collective bargaining agreements in the City contain the same health insurance provisions.

The City has managed its health insurance with considerable expertise and there is no indication from the testimony or evidence that that circumstance would deteriorate dramatically during the life of this Agreement. Noteworthy is the fact that the City has not claimed a present or future inability to pay on this or any other open issue.

From his analysis of the testimony and the evidence, the Fact-Finder does not give weight to the City's argument that the Union was uncooperative or in any substantive way impeded the City's effort to contain health care costs.

Any discussion of discernable "trends" in allowing municipalities to assume full control over the management, selection and cost of its health insurance plan is inconclusive and at odds with the existing collective bargaining process. It should be understood that the Fact-Finding process is not to be construed or employed as a substitute for the collective bargaining process.

The basis for these substantial and significant change proposals advanced by the City rests upon speculation, not upon any firm projection of impending financial distress. Based upon the evidentiary record the City has not persuaded the Fact-Finder that there is a compelling reason(s) for the Fact-Finder to recommend the language of 34.1 be modified as proposed by the City.

2. ARTICLE 36 – SECTION 36.1

WAGES

The City has presented the more persuasive argument on this issue. The Fact-Finder recommends that there be wage increases as proposed by the City of 2% in the first year of this Agreement, 2% effective January 1, 2011 and 2% effective on January 1, 2012.

A series of three 2% increases during the life of this Agreement is in keeping with the emerging pattern suggested by the few recently reported settlements. While the Fact-Finder is required to consider comparable employee units and wage settlements negotiated over the last two or three years by relevant external comparables such settlements do not necessarily reflect the present economic distress being experienced in Ohio or in the nation. Neither party has advanced a theory suggesting that this condition will be ameliorated over the next three years so that previous pattern wage bargaining patterns should be continued at this time without reevaluation.

<u>Miamisburg City</u>	<u>Piqua City</u>	<u>Sidney City</u>	<u>Trotwood City</u>	<u>Vandalia City</u>
2007	3.00%	3.00%	4.00% ⁸	
2008	3.00%	3.00%	3.25%	3.50%
2009	3.00%	3.25%	3.00%	3.50%
2010	3.00%			3.00% ⁹
2011				Wage Reopen
				Wage Reopen

There were no reported benefit increases. All of these wage settlements were for Firefighters. This wage report was dated January 21, 2010 and was prepared by the SERB Clearinghouse.

The wage proposals advanced by the IAFF Local 1638 for the years 2010, 2011 and 2012 lack merit and cannot be supported. The City has not agreed to wage increases greater than 2% in negotiations with any of its other represented employees. The wage proposals made by the IAFF are not in the long-term best interest of this bargaining unit.

These wage proposals should represent the Union's well-reasoned last, best and final offer for the Fact-Finder's review. Importantly, any consideration of yearly pay increases in the City of Troy or external comparisons must take into consideration the City's Longevity pay process.

**3. ARTICLE 42 – SECTION 41.1
DURATION**

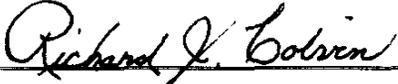
As was noted by the City and supported by the record, there was little discussion of nor was there any apparent urgency in the substance or resolution of this issue.

As this Agreement will now be signed on some date later than January 1, 2010, the Fact-Finder sees no compelling reason to recommend the initial wage provision be retroactive to January 1, 2010.

The **initial** wage provision is therefore recommended to be effective on the date the Agreement is signed which is the position advanced by the City. There is no dispute as to the effective dates of the two (2) subsequently proposed wage increases.

⁸ 2007 included a lump sum signing bonus of \$1,047.00

⁹ This was a lump sum payment Jan 2009


Richard J. Colvin
Fact-Finder

Dated: January 28, 2010
Mason, Ohio

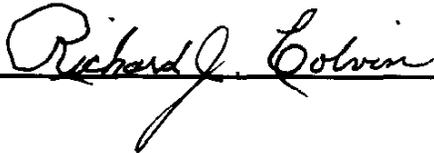
The undersigned certifies that a copy of the foregoing Fact-Finding Report and Recommendations has been forwarded by Overnight U.S. mail service to:

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Richard J. Colvin