

STATE OF OHIO
BEFORE THE STATE EMPLOYMENT RELATIONS BOARD
FACT-FINDING PROCEEDING

Case No. 2010-MED-11-1695

Circleville Firefighters Local 1232, Employee Organization

and

City of Circleville, Employer

REPORT AND RECOMMENDATION OF THE FACT FINDER

Daniel N. Kosanovich

ISSUED: March 11, 2011

**STATE EMPLOYMENT
RELATIONS BOARD
2011 MAR 15 P 3:36**

Appearances:

**Bradley Rankin, Lieutenant/EMT
586 North Court Street
Circleville OH 43113
Btrankin1@yahoo.com
(For the Union)**

**Matthew B. Baker, Senior Consultant
Clemans Nelson & Associates, Inc.
6500 Emerald Parkway, Suite 100
Dublin OH 43016
MBaker@clemansnelson.com
(For the Employer)**

REPORT AND RECOMMENDATION

I. Background

The Employer, in this case, is the City of Circleville, which is located in south central Ohio. The bargaining unit takes into account the employees of the fire division classified as Firefighters, Lieutenants, and Captains. There are a total of fifteen (15) members of the bargaining unit in the preceding classifications.

The parties are signatory to a Collective Bargaining Agreement which has an effective date of January 29, 2010. Pursuant to its terms, the contract called for a 0% salary increase for the 2010 year with wage reopeners for the calendar years of 2011 and 2012. The only issue before the Fact-Finder in this instance is the wage reopener for 2011 which is consistent with Article 18, Section 18.2.

The parties had a direct, but not long lasting, period of negotiations. It was the Employer's position that the bargaining unit should take a wage freeze for the year of 2011. On the other hand, the bargaining unit negotiating team took the position that a 3% increase was appropriate for 2011. At the outset of the fact-finding hearing, the Union modified its position and argued for a 6% increase across the board for each of the members of the bargaining unit.

On February 11, 2011, the State Employment Relations Board (SERB) issued a Notice of Appointment assigning the undersigned to serve as a Fact-Finder in the matter of dispute between the City of Circleville and the IAFF. On February 17, the parties entered into an agreement extending the time within which to conduct a hearing and issue the Fact-Finder's Report and Recommendation. That time limit was extended until March 11, 2011. A hearing was scheduled for February 28 and held at the City of Circleville

Administrative Building in Circleville, Ohio. This document represents the undersigned's Fact-Finding Report and Recommendation.

II. Criteria

In compliance with Ohio Revised Code, Section 4117.14(G)(7), and the Ohio Administrative Code, Section 4117-95-05(J), the Fact-Finder considered the following criteria in making the recommendation contained in this Report:

- 1) Past collectively bargained agreements between the parties;
- 2) Comparison of unresolved issues relative to the employees in the bargaining units with those issues related to other public and private sector employers in comparable work, giving consideration to factors peculiar to the area and classifications 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 on the normal standards of public service;
- 4) The lawful authority of the public employer;
- 5) Stipulations of the parties; and,
- 6) Such factors as not confined to those above which are normally and traditionally taken into account.

III. Findings and Recommendation

Wages (Reopener Pursuant to Article 18, Section 18.2)

Union's Position:

As noted above, the Union took the position throughout bargaining that a 3% pay increase across the board for bargaining unit members was appropriate. According to the Union, the firefighters in the City of Circleville are severely underpaid. Further, the co-pay contribution on insurance premium increases and other comparables, both internal

and external, dictate that a wage increase is due. In fact, the Union altered its position before the fact-finding hearing and demanded a 6% raise rather than a 3% raise. The Union's argument goes on to identify the sacrifices and volunteer efforts. For instance, the bargaining unit members knocked on doors to help pass the Safety Levy and Commuter Tax. Multiple times during negotiations in the past, bargaining unit members have taken 0% with a "me too" clause. On December 17, 2009, the Union proposed a wage freeze for 2010. Local 1232 members signed an MOA to not fill a Captain's position until the new year in order to help save the City money.

The Union's argument also includes the following points. The City administration and Council Members over the past two (2) years have received increases of 2.75% each year. External comparables demonstrate that the City of Circleville firefighters were dead last in hourly rate. The closest hourly rated bargaining unit is located in Harrison Township. Whereas Circleville firefighters receive an average of \$12.74 per hour, Harrison Township receives \$14.76 per hour.

The internal comparables are just as revealing. For instance, a Police Officer received on average \$20.46 per hour or a \$7.72 per hour differential between the Police Officers and the Firefighters.

Employer's Position

The documents submitted by the Employer demonstrate that the costs associated with granting a 1% wage increase, including roll-up costs, equals \$12,058. Correspondingly, a 1.5% wage increase would cost the City \$18,687.00. A 3% wage increase costs \$37,374. Finally, a 6% increase, which is the Union's proposal today, would cost the City \$74,748.

In addition, the record indicates that the General Fund revenue has been exceeded by the General Fund expenditures. This trend began in 2007 and continued through 2010. It

must also be noted that the City asserted there are no unencumbered reserves of any significance.

It is the Employer's position that the record demonstrates that the Employer should not and cannot sustain a wage increase sought by the Union and, therefore, proposes a wage freeze.

RECOMMENDATION

The undersigned is compelled to analyze the situation in light of the current economic downturn affecting the State of Ohio, as well as, the economic posture of the City of Circleville. These two (2) factors must be balanced against the needs of the Firefighters and the City's ability to administer any wage increase recommended. It is the paramount that the resolution of the wage reopener issue address the needs of each party and reflect fiscal responsibility.

The record demonstrates a weak revenue stream to support a significant wage increase. In fact, the revenue flow to the General Fund was eclipsed by the expenditures incurred in 2010. Additionally, the record indicates that a 1% wage increase costs the City \$12,058. This increase includes the roll-up costs such as workers' compensation costs and expenses. A 1.5% wage increase would cost \$18,867.00. A 3% wage increase would cost \$37,374.00 and a 6% wage increase across the board would cost \$74,748.00.¹

Other significant factors weighed in reaching the ultimate recommendation contained herein include the fact that the City has experienced a loss of business and that unemployment exceeds 10% in the County.

¹ The Union in negotiations prior to the fact-finding hearing adopted a position of a 3% wage increase across the board. It altered its position at the hearing to reflect a 6% increase as being sought. Given the circumstances, it is difficult to conclude that the Union's position compelling.

The bargaining unit members are underpaid in comparison to others similarly situated (although it is unrealistic to expect to close a gap in one fell swoop). Recognizing that the comparables, both external and internal, arguably support a wage increase and that health care contributions by employees continue to rise, suggesting the need for a wage increase, the undersigned has determined that a modest wage increase is warranted.

As noted above, it is incumbent upon the Fact-Finder to strike a balance that is fiscally sound both in the short term and the long run, therefore, I recommend that the Firefighters receive a 1.5% wage increase.

IV. Certification

The fact-finding Report and Recommendation is based upon the evidence, testimony, and arguments presented to me at a fact-finding hearing conducted on February 28, 2011. The recommendation contained herein was developed in conformity with the criteria for fact-finding found in Ohio Revised Code 4717(7)(a-f) in the associated administrative rules developed by SERB. All tentative agreements reached by the parties prior to the fact-finding hearing conducted on February 28, 2011 are incorporated herein by reference as if fully rewritten.

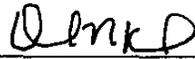


Daniel N. Kosanovich
Fact-Finder

V. Proof of Service

This fact-finding report was mailed via USPS to Bradley Rankin, Lieutenant/EMT-P, City of Circleville, 586 N. Court Street, Circleville Ohio 43113; Matthew B. Baker, Clemans Nelson & Associates, 6500 Emerald Parkway, Suite 100, Dublin Ohio 43016; and J. Russel Keith, General Counsel & Assistant Executive Director, SERB, 65 E. State

Street, 12th Floor, Columbus, Ohio 43215-4213. In addition, a copy of the fact-finding report was sent by electronic mail on March 11, 2011 to Bradley Rankin at btrankin1@yahoo.com and Matthew B. Baker at mbaker@clemansnelson.com.



Daniel N. Kosanovich
Fact-Finder
March 11, 2011

YEN
5 PAUL DE
ON 45729

J. Russell Kirtin
General Counsel & Assistant Sec. Dir.
State Employment Relations Board
65 East State Street
12th Floor
Columbus, OH 43215-4223

