

**STATE OF OHIO  
STATE EMPLOYMENT RELATIONS BOARD**

**In the Matter of:** :  
: **2013-MED-09-1194**  
**Tiffin Firefighters, IAFF Local 322** :  
: **FACT FINDING REPORT**  
**and** : **FINDINGS AND RECOMMENDATIONS**  
:   
**City of Tiffin,** : **March 12, 2014**  
:

**APPEARANCES**

**For the Union:**

Rob Chappell  
Roy Hollenbacher, 1st District Vice President  
Ben Nutter  
Kevin Veletean,  
Michael Longanbach

**For the Employer:**

Thomas D. Rooney, Attorney  
Aaron D. Montz, Mayor  
Gwynn Reinhart, Director of Finance  
Debra A. Reamer, City Administrator  
Bill Ennis, Fire Chief

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**I. BACKGROUND**

The Fact Finder was appointed by the State Employment Relations Board (SERB) on January 6, 2014, pursuant to Ohio Revised Code Section 4117.14(C)(3). The parties mutually agreed to extend the fact-finding period as provided under Ohio Administrative Code Rule 4117-9-05(G) until March 12, 2014. The parties are the Tiffin Firefighters, International Association of Firefighters Local 322 (Union or Firefighters) and the City of Tiffin, Ohio (Employer or City). The Employer has a population of almost 18,000 and is the county seat of Seneca County in north central Ohio. The bargaining unit consists of thirty-three (33) bargaining unit members. The Union represents all full time employees of the City's Fire Department below the rank of Deputy Chief, excluding ambulance and clerical personnel.

The City and the Firefighters are parties to a collective bargaining agreement effective January 1, 2012 through December 31, 2014. The agreement contains a reopener for wages and health insurance plan design only for 2012 and 2013. In the 2013 reopener negotiations, the parties agreed to a new three (3) year agreement. They agreed to keep current contract language for all articles with the exception of health insurance, insurance plan design, and wages. Wages are the only unresolved issue in this matter. The tentative agreements reached by the parties during negotiations are hereby incorporated into this Fact Finding Report.

**II. THE HEARING**

The fact-finding hearing was held on February 27, 2014 at City Hall, 51 E. Market Street, Tiffin, Ohio. Each party provided a pre-hearing statement to the Fact Finder. At

the hearing, the Fact Finder engaged in mediation, but was not successful. The hearing was held, and this report issued.

The parties jointly introduced the following exhibit into evidence:

1. Agreement of International Association of Firefighters Local No. 322 and City of Tiffin, Ohio, Effective: January 1, 2012, Through: December 31, 2014.

Additionally, the parties introduced the following exhibits into evidence:

Union Exhibits

1. Introduction.
2. Review of City Budget.
3. Health Insurance Information.
4. Comparable Departments.
5. Current Situation.
6. Reference Materials.

Employer Exhibits

1. Grant Projects.
2. Salary Rates to be used for 2011.
3. November 8, 2010 Moody's Rating.
4. Email from RBC Capital Markets regarding general fund balances.
5. General Fund Balance and uses in 2014 using median cities with Moody's A1 rating.
6. General Fund Balance and uses in 2014 using GFOA standards.
7. City of Tiffin Firefighters fact finding comparison of 6%, 3%, 3% to 3%, 3%, 3%.
8. City of Tiffin Firefighters fact finding all funds payroll 1% increase based on 2014 budgeted wage lines calculated 11/12/2013.
9. City of Tiffin Firefighters fact finding decrease in income tax revenues due to introduced legislation for uniformity by State of Ohio.
10. City of Tiffin Firefighters fact finding salary comparison.

The Ohio public employee bargaining statute provides that SERB shall establish criteria the Fact Finder is to consider in making recommendations. The criteria are set forth in Rule 4117-9-05(K) and are:

- (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 interests 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 the issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

The Fact Finder hopes the discussion of the issues is sufficiently clear to the parties. Should either or both parties have any questions regarding this Report, the Fact Finder would be glad to meet with the parties to discuss any remaining questions.

### **III. ISSUES AND RECOMMENDATIONS**

During negotiations, the Union accepted the Employer's proposal on health and life insurance. The Employer offered a three percent (3%) increase for each year of the agreement, with the first year retroactive to January 1, 2014. The Union has accepted these increases. These agreements are hereby incorporated into this report. In addition to the three percent (3%) increases, the Union proposed a one (1) time, three percent (3%) increase for 2014, retroactive to January 1, 2014 for all bargaining unit

members holding the certificate of EMT-B or EMT-P. This additional three percent (3%) increase for 2014 is the only issue remaining.

***Issue: Article 29, Wages***

The Union argues that the Firefighters are underpaid compared to other jurisdictions. It notes that the unit has helped the City over the years deal with its financial situation and the City should now give back some of the concessions the Firefighters made. For example, Local 322 went door to door in 2004 to support a citizen's initiative allowing money to be moved from the Capital Improvement Fund to the General Fund, lowering the former from 21.5% to 10%. In 2009, the Firefighters again led the renewal of this initiative. Also in 2009, the Union agreed to a 2% wage concession, saving the City nearly \$38,000 and two (2) Firefighter positions. (One (1) Firefighter was laid off.) In contrast, the AFSCME unit refused the concession and the City was forced to lay off several workers. In 2010, the unit gave up \$400 (80%) of its \$500 clothing allowance, saving the City \$14,000, helping prevent three (3) additional layoffs, and bringing the laid off Firefighter back. In 2011, the Union agreed to a one (1) year contract freezing wages again. In 2012, the Firefighters were the first bargaining unit to agree to changes in the health care plan, which included increasing premium sharing to 20% by 2014 and higher deductibles. The 20% premium is higher than the average of public employees in Ohio, than employees of cities with less than 25,000 population, and than public employees in SERB's Toledo region, in which Seneca County falls. On top of these steps, the unit has not received a pay increase in five (5) years. Overall, take home pay has decreased, as wages have remained the same and health care costs have increased dramatically.

Because of these steps and others, the City has saved money. It finished 2013 with a budget carryover of almost \$2.4 million. Income tax revenues were up over \$400,000, or 5.66%, from 2102. The City should now use this money to increase the Firefighters' pay. The Union seeks the one (1) time 3% increase to help the employees recoup some of the concessions they have given. Additionally, emergency calls have increased dramatically, providing the City with increased fees, so it makes sense to provide those Firefighters who are EMTs or paramedics with an increase, since their workload has increased.

The Union points to a number of cities as comparable, including Ashland, Bucyrus, Crestline, Findlay, Fostoria, Kenton, Lima, Marion, Marysville, Napoleon, Norwalk, and Urbana. It readily admits that it is difficult to find a close comparable, but it points particularly to Findlay, Fostoria, Lima, Marion, and Norwalk. In the Fact Finder's view, Findlay (approximate population 41,500), Lima (38,300), and Marion (36,900) are not comparable, since they are at least twice the size of Tiffin (17,800). Crestline, with a population of just over 4500, and Kenton, population 8,200, are too small. Further, Ashland, Defiance, Lima, Marysville, Napoleon, and Urbana are more than 50 miles from Tiffin. Comparability includes an element of geography such that a comparable community would compete for employees. While the unit has lost three (3) Firefighters in the last year, one (1) each to Napoleon, Toledo, and Sylvania Township, Toledo is the fourth largest city in Ohio and Sylvania is a suburb of Toledo. And while an employee left to work for Napoleon, it is unlikely this would occur regularly. Put simply, the Fact Finder concludes that Bucyrus (12,100), Fostoria (13,300), and Norwalk (16,900) are the best comparables to use. Each is close in size and within

approximately 25 miles. Using these and their respective base pay rates, the Firefighters are somewhat underpaid. Bucyrus and Fostoria have base pay rates within approximately \$2,000 of the Firefighters, while Norwalk's base rate is almost \$14,000 more.

The City responds that it appreciates the steps the Union took to help during its financial crisis beginning in 2008. However, the Union was not alone in sacrificing. Other than a fifty cent (\$.50) per hour increase in 2012 to dispatchers, no other City employees received a wage increase. Unrepresented hourly employees had their weekly hours reduced and unrepresented salaried employees received a pay cut. Further, the City worked hard to reduce expenses, resulting in significant belt-tightening, including layoffs. Only recently was it able to restore all unrepresented hourly employees to their regular workweek hours and salaried employees to their pre-reduction levels.

The City acknowledges the sacrifices the Firefighters, and all employees, have made. It recognizes its cost cutting has given it a carryover and it is time for an increase. It counters that 3% increases over the next three (3) years is a reasonable increase, particularly in this economy. It has proposed this increase with its other bargaining units and its non-bargaining employees. Giving an additional 3% to EMTs and paramedics would contradict this pattern bargaining and cause resentment in other units. Since each Firefighter is either an EMT or paramedic, granting the increase is the same as an additional 3% in wages. Moreover, the Firefighters are the largest bargaining unit within the City. The additional 3% across the board would cost \$220,601

over three (3) years for just the Firefighters. If other employees sought the same increase, it would cost even more.

Additionally, while the City has a carryover, not all of it is available for wage increases. The City has put off capital improvements and needs to address several projects. While the City has received grants for a handful of street, bridge replacement, and building demolition projects, its contribution will be approximately \$1.5 million. And to retain its A1 bond rating from Moody's, it needs a carryover balance of 15% of revenues. Further, the State of Ohio has eliminated the estate tax, costing local governments about \$250 million each year, and decreased funding to local governments, lessening the City's revenues. The state is also considering income tax changes that would further reduce revenues. Finally, using the base rate of pay for Firefighters is somewhat misleading. Given the amount of overtime the Firefighters typically work, their take home pay is much more than the base rate.

There is no question that municipalities have been struggling since the Great Recession. Revenues have decreased while costs, particularly health care, have increased. Governments have had to cut costs, tighten belts, and ask employees to share the burden, especially as to health care. Premium sharing and deductibles have increased dramatically in recent years. In the last several years, the Fact Finder has written a number of reports involving wage freezes and concessions. That is not the case here. The City has already asked for these and now has some money to put into wage increases. In the Fact Finder's recent experience, 3% increases over three (3) years is certainly not the norm. While the Firefighters are somewhat underpaid based on the comparables and seek an additional 3% to recoup some of their losses in the last

five (5) years, now is not the time to do so. The City is offering a reasonable increase at this time and deviating from the increases given to all City employees could cause problems. If the City's finances improve after this contract term, the time would be ripe for additional increases to make up lost ground.

**Recommendation:** No additional increase of 3% retroactive to January 1, 2014.

Dated: March 12, 2014



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Daniel G. Zeiser  
Fact Finder