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**STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD**

In the matter of Fact Finding between:

Employer

**INTERNATIONAL
ASSOCIATION OF
FIREFIGHTERS,
CIRCLEVILLE LOCAL 1232**

Employee Organization

and

CITY OF CIRCLEVILLE, OHIO

SERB CASE Numbers
2014-MED-11-1583

**FINDINGS
AND
RECOMMEDATIONS**

Stephen Kubic
Fact-Finder

Date of Issuance of Report – August 29, 2015

Appearances:

For the International Association of
Firefighters

Capt. Arron L. Kerns
Lt. Scott Cavanaugh
Firefighter Cory Kerns

For the City of Dover

Benjamin S. Albrecht,
Donald R. McIlroy, Mayor
Tom Hamman, Safety Director
Gayle Spangler, Auditor
Valerie Dilley, HR Assistant

1. INTRODUCTION

In compliance with the Ohio Revised Code 4117.14 (c), the State Employment Relations Board (herein after “SERB”) appointed Stephen Kubic to serve as Fact Finder in the above referenced matter. The Fact Finder was notified of the appointment by e-mail dated June 23, 2015.

A hearing was held on this matter on August 18, 2015, in the training room of Circleville, Ohio Fire Department. The fact-finder must commend the parties for the manner in which they conducted themselves at this hearing. Information and positions conveyed by the parties at that time contributed greatly to his ability to understand the issues and arrive at the recommendations contained herein.

Each party filed the required pre-hearing position statement pursuant to section 4117-9-05 of the rules of the SERB. The parties' pre-hearing position statements indicated that the remaining unresolved issues were the result of re-opener clauses in three separate, but related, sections of the Collective Bargaining Agreement (herein after “CBA”).

Pursuant to the Ohio Revised Code and Administrative Rules, a good faith effort was made to resolve the remaining issues through mediation. At various times during the course of the hearings, the fact-finder engaged in an effort to mediate the issues involved. Ultimately, no final agreement was reached, however, the parties grew closer in their respective positions, and the exercise provided information vital to the writing of this report.

2. BACKGROUND

Circleville is a City, along the Scioto River, in central Ohio and is the county seat of Pickaway County, Ohio. The population was 13,314 at the 2010 census. The City is responsible for providing a series of services to its citizens, including fire protection and emergency services. The City has collective bargaining agreements with three bargaining units: the International Association of Firefighters, Circleville Local 1232 (“IAFF”); the Ohio Patrolmen's Benevolent

Association (“OPBA”); and the Non-Uniformed Employees Organization (“NUEO”). The pending fact-finding is between the City and the IAFF.

These parties have been signatories to several successive CBAs. The current CBA between the parties contains effective dates of January 1, 2013 through December 31, 2015. The recognition language contained in that CBA is contained in Article 4:

The Employer hereby recognizes the Union as the sole and exclusive bargaining agent with respect to wages, hours, and other terms and conditions of employment for all fulltime employees of the Fire Department occupying the positions of fire fighter, lieutenant, and captain excluding all positions which normally have the authority to act on behalf of the Fire Chief, all part-time, seasonal, temporary employees and all other positions specifically exempted by Chapter 4117 of the Revised Code. All other employees of the Employer are excluded from the bargaining unit. Said recognition shall continue for a term not to exceed the duration of this Agreement, civil service law shall apply to the termination of probationary employees.

The agreement also contains re-opener language which required the parties to bargain regarding three specific sections:

17.1 During the term of the contract, the City shall pay the entire monthly health insurance premium for single coverage, an employee shall pay 20% monthly towards a double insurance coverage and an employee shall pay 20% and family insurance premium respectively. Beginning no later than November 30, 2014, the City and IAFF agree to a re-opener for Article 17.

18.3 Beginning no later than November 30, 2014, the City and IAFF agree to a re-opener for Article 18. (*Fact-finder's note - Article 18 is titled Salary Schedule*)

31.1 Effective at the earliest date possible in 2013, the City's share of the employee's pension contributions shall be reduced to 6.67%. Effective in the first pay period that includes January 1, 2014, the City shall pay 3.33% of the employees' share of pension

contributions. Beginning no later than November 30, 2014, the City and IAFF agree to a re-opener for Article 31. (my emphasis in each section)

In addition, the parties attached two Memorandums of Understanding ("MOU") to their CBA. It must be noted that both of these MOUs were dated on the same date as the CBA and read as follows:

The parties, the City of Circleville (the "City"), the International Association of Fire Fighters, Local 1232 ("IAFF") are parties to a collective bargaining agreement expiring December 31, 2015 and agree to modify the agreement as such:

The City and IAFF agree to a 20% premium contribution for employees taking single coverage beginning January 1, 2013 and lasting until December 31, 2014 at which time the parties agree to a re-opener for Article 17.

This memorandum of agreement contains the complete agreement between the parties on this subject.

And:

The parties, the City of Circleville (the "City") the International Association of Fire Fighters, Local 1232 ("IAFF") are parties to a collective bargaining agreement expiring December 31, 2015 and agree to modify the agreement as such:

Section 18.2 Salary Schedule

The parties agree to modify the effective date of the 2014 wage increase contained in the Section 18, Salary Schedule. The effective date of the wage increase will be the first day of the pay period that includes January 1, 2014. Specifically, the 2014 pay increase outlined in Section 18. salary Schedule, will be effective December 22, 2013.

Section 31, Pension Pick Up

The parties agree to modify the effective date of the 2014 pension pick-up reduction outlined in Section 31, Pension. The effective date of the City's reduction in the amount it pays of the employees' share of the pension contribution will be the first day

of the pay period that includes January 1, 2014. Specifically, effective December 22, 2013, the City shall be obligated to pay 3.33% of the employees' share of the pension contributions. The 2014 wage increase and the 2014 pension reduction shall both occur the first full pay period including January 1, 2014.

The parties engaged in several bargaining sessions beginning in November of 2014. These sessions were characterized as being short in duration and unproductive. No agreement was reached during these sessions. The parties then jointly requested the fact-finder's intervention.

3. Discussion and Recommendations

Reading the language of the CBA and the MOUs, one must conclude that the three sections quoted above have been linked for some time. The quoted language indicates that this is the case in the current CBA and testimony at the hearing indicated that the previous CBA contained a similar link. In addition, the IAFF had offered a written counter proposal to the employer, which would have offered the City the relief it sought in the areas of Pension Pick-up and employee's contribution to health insurance premiums in exchange for the wage increase proposed by the Union.

The fact-finder finds this to be a very reasonable approach. Testimony at the hearing¹ revealed that in a previous CBA the City had agreed to pick-up or pay a portion of the employee's contribution to the employee's pension plan in lieu of a pay increase. This arrangement had several benefits to both the City and the firefighters at that time.

The same arrangement was applied to the employee's contribution to insurance premium. It provided the employees with some relief from a constantly rising cost in lieu of a pay increase. However, times change and it was evident that both parties would be willing to alter these arrangements if some appropriate solution could be reached.

¹ Actually during an attempt at mediation

The City, is willing to provide an increase in pay for the firefighters in return for relief from both the pension pick-up and assumption of a portion of the single employee's contribution to insurance premium. The firefighters would be willing to acquiesce to the City's desire to be relieved of its obligation under these sections, provided they received a salary increase which would be significant enough to insure that they not only were made whole for the additional cost which they would incur, and some increase in pay for 2014.

The City indicated that not only was it responsible for these cost, but there were “roll up” cost added to these amounts. The City's contribution to the employee's pension, worker's compensation, and FICA² would actually increase the cost of these payments as they would be incurred by the City on all monies which are considered employee compensation.

The firefighters indicate that these “roll-up” cost should be included in any pay increase as they are part of the savings the City will realize by the removal of its obligation under the pension pick-up and single health insurance contributions³. The fact-finder agrees and proposes that sections of the CBA read as follows:

Section 17.1 The City shall pay 80% of the health plan premiums and the employees shall pay 20% of the health plan premiums for single, double, and family coverage.

Section 17.3 During the term of this Agreement, the City agrees to provide life insurance coverage at no cost to all bargaining unit members in the amount of \$25,000.⁴

Section 18.2 Effective January 1, 2015, rates of pay for bargaining unit members shall be increased by 2.5%

Effective with the first pay in November, rates of pay for bargaining unit members shall be increased by an additional 1.5%.⁵

2 Federal Insurance Contributions Act

3 All employees are effected by the pension pick-up provision and approximately one-half of the bargaining unit members are effected by the insurance contribution provision.

4 The City had agreed with its insurance carrier during the term of this CBA to increase employee life insurance from \$20k to \$25k. This change is only made to have the CBA reflect actuality.

5 Salary Schedules for 2015 to be calculated by the City Auditor to reflect these increases.

Section 18.3 This section to be deleted as these negotiations will be concluded should the parties accept this report⁶.

Article 31 Effective with the first pay period in November, the employee will pay the entire employee's share of their pension contributions.

4. TRANSMITTAL

This report, regarding the finding of facts and recommendations on the unresolved issues, is hereby transmitted by e-mail to the Employer, the Union, and the State Employment Relations Board.

Issued at St. Clairsville, Ohio on August 29, 2015



Stephen Kubic
Fact-finder

⁶ Remaining sections of this article would be re-numbered to reflect deletion of this section.