

STATE EMPLOYMENT RELATIONS BOARD
BUREAU OF MEDIATION

In the matter of Fact-finding between:

The City of Middletown, Ohio : Case No. 2017-MED-10-1202
Butler County, Ohio :

and : Report and Recommendations

Middletown Firefighters Association : Margaret Nancy Johnson
Local 336, International Association of Fire Fighters : Fact-finder

Statement of the Case

Located between Dayton and Cincinnati in southwestern Ohio, Middletown is a Municipal Corporation having a 2016 population of 48,813. Fire prevention and suppression services are provided to the businesses and residents of Middletown by a unit of approximately seventy-four (74) professional Firefighters. Excluding the Fire Chief and the Assistant Fire Chief, the bargaining unit consists of Firefighters, Fire Lieutenants, Fire Captains and Fire Deputy Chiefs. The Division of Fire reports to the City Manager.

The City and the Union have a mature and cooperative bargaining relationship. Their current Collective Bargaining Agreement expired on December 31, 2017. Although the parties were able to reach tentative Agreement on most of the terms of a successor Agreement, three Articles remain unresolved. In accordance with Section 4117.14 (C)(3) of the Ohio Revised Code, on January 24, 2018, the State Employment Relations Board appointed Margaret Nancy Johnson to serve as fact-finder for this bargaining impasse.

In these proceedings, the City was represented by General Counsel, Susan Cohen. Union President Tim Kinsworthy was the principal advocate for the unit, assisted by Jon Harvey, Vice-President. Both parties timely submitted Position Statements for review by the fact-finder prior to convening on April 30, 2018. Following an attempt at mediation, the fact-finder conducted a hearing at which both parties had the opportunity to present statements, to examine and cross-examine witnesses, and to introduce into the record documentary evidence supportive of relative positions. The timeliness of the following Recommendations were mutually agreed to by the parties.

Unresolved Issues

The following issues remain unresolved: Article 27, Insurance; Article 44, Promotions within Rank, and Article 45, Wages.

Criteria

In submitting these recommendations, the fact-finder took into account statutory criteria as set forth in Ohio Revised Code Section 4117:14(G)(7):

1. Past collectively bargained agreements between the parties;
2. Comparison of the issues submitted as addressed by other employees doing comparable work, taking into account factors peculiar to the area involved;

3. Interest and welfare of the public, the ability of the employer to finance the issue, and the effect of the adjustment on the normal standards of public service;
4. Lawful authority of the public employer;
5. Stipulations of the parties;
6. Such other factors as are normally or traditionally taken into consideration.

Position of the Parties

City

A. Article 27 – Insurance

Self-insured, the City maintains an Employee Benefits Fund from which insurance claims are paid. A choice of benefits within a budget are established by a Health Care Committee consisting of employee representatives who meet monthly and work with a health care broker. The Union is fairly represented in the Committee with its voting rights determined by the number of employees in the unit.

Because of unusually high claims and catastrophic illnesses during the last three years, the Benefits Fund had to be supplemented by the General Fund as well as by additional loans. The Health Care Committee is tasked with putting together benefit plans as well as provisions for repaying the General Fund.

In 2017 the Committee was unable to provide benefits that met budgetary limits as well as contractual requirements. Accordingly, in these negotiations the City proposes removing the language in the Agreement which provides “caps” for bargaining unit member costs. This bargaining unit is one of only two that have employee costs “capped.” As a consequence of those caps, this unit and an FOP unit received “richer” benefit options, creating disparity among City employees. By removing the caps, the Health Care Committee can pursue benefits of equal value for all employees.

B. Article 44- Promotions

The City proposes language requiring Apparatus Operator applicants to be at minimum Step D. Rationale for the proposal is to ensure that Apparatus Operators have the experience to navigate the City, the knowledge to work with the equipment, and the ability to relate to co-workers. The position requires an experienced and an effective Firefighter with demonstrated skills.

C. Article 45 - Wages

The wage proposal of the City is a 2% across the board increase for each of the three year contract, retroactive to January 1, 2018. This proposal is consistent with the wage increase for other City employees, union as well as non-union, and with the consumer price index. The wage proposal of the City is also consistent with that of comparable jurisdictions.

Additionally, the City seeks an adjustment to the salary steps in the Agreement. Current steps are inconsistent with market conditions. Since the City is not experiencing revenue collection that would justify the present step system, some adjustment is warranted. Intent of the City is to make the adjustments effective to new hires, grandfathering in those already within the unit.

Union

A. Article 27 - Insurance

While the Union proposes increasing the caps to its employee health care costs, it is opposed to the elimination of all caps on unit member costs for insurance benefits. The Health Care Committee is effective in keeping within the budget and in providing employee choice. There has never been an issue with contribution limits being in the contract. These caps assist in properly managing health care costs.

The limit on employee contributions has been in the contract for many years. In 2006, when the Health Care Committee was established, the City agreed to keep the caps. In this bargaining impasse the City has not justified its proposal to eliminate language which has been in the Agreement for many contracts.

Current contract language provides unit members with some assurances as to maintaining health care costs. Were the limits to be taken out of the contract, costs could double. The increase in employee contribution limits as proposed by the Union is the average increase within the state. The proposal of the Union is reasonable and consistent with practices state-wide.

The Union also proposes an opt-out incentive stipend. This new language would assist the City in off-setting insurance costs. According to SERB, 46.8% of cities in Ohio offer some sort of opt-out stipend. In making its insurance proposals the Union has sought to protect the bargaining unit from increasing health care costs while accommodating the need of the City to contain those costs.

B. Article 44- Promotions

The Union proposes that when a Firefighter is assigned to the Squadman position, compensation for such services be increased from \$26 to \$36.00. Since the assignment takes the place of a once promoted position, compensation should be appropriate. Employees assigned to these positions perform additional responsibilities which merit the additional pay.

All Squadmen currently have the rank of seven (7) years and promotion to that position is no longer applicable. Thus, the Union proposes making the additional compensation in Article 44, Section A a flat 7% to reflect the reality within the work force.

C. Article 45 – Wages

Noting a high turnover rate within its ranks, in these negotiations Union seeks a wage proposal that will attract and retain employees. The 4% for each contract year proposed by the Union is consistent with the objective of recruitment and retention. Increased calls for this unit further justify the rate increase sought by the Union. Indeed, Middletown Firefighters are almost twice as busy as the average fire department in the surrounding area. Moreover, the proposal is reasonable, fair, and necessary for the Union to maintain its current ranking with Fire Departments in comparable cities.

Comparable data indicates that a Middletown Firefighter with eleven (11) years of service is paid 2% less than his/her counterpart in comparable cities. With other benefits included, that differential increases to 13%.

Since the economy of Middletown is rebounding, as evidenced by income tax revenue increases, it is appropriate to pass those increases on to a department whose workload has increased. These firefighters are doing more with less staff, having an adverse impact on employee morale and increasing employee stress.

In addition, the Union also proposes the elimination of the initial steps for promoted positions which are not used in the promotion process and currently serve no purpose. Finally, as the proposal is contrary to long term strategic plan goals, the Union opposes the step adjustments sought by the City in these negotiations.

Discussion

Economic Overview

Although recovery from economic recession and loss of local government funding is apparent in many jurisdictions throughout the state, some municipalities continue to experience significant financial challenges. Middletown is one of those cities. In its June 2017 Credit Opinion, downgrading Middletown's outstanding General Obligation --the second within five (5) years—Moody's Investors Services noted that the "downgrade to A1 reflects a vulnerable economic profile indicated by a local labor market struggling to recover recessionary losses" (City Exhibit 5). Contributing factors identified by Moody's include a concentrated tax base and a high pension burden. In his testimony at the hearing, City Manager Douglas Adkins elaborated on some of the socioeconomic issues confronting the City, whose economic problems actually predate the 2008 Recession.

According to the 2000 U.S. Census, 9.2% of Middletown families were then below the poverty level, compared with a 7.8% national and state poverty rate. Educational levels in 2000 also lagged behind those of the state and the nation. The 2010 Census placed Middletown unemployment at 11.7% and identified 13.1% of the "Housing Stock" as vacant. By 2015, the percentage of Middletown families living in poverty had increased to 21%. Average Middletown Household Income in 2015 was below State and County averages (Statistics from New Housing Policy, presented by Douglas Adkins). Subsidized housing in Middletown is five (5) times the average (Adkins Testimony).

Finance Director Jacob Burton identified these demographics as a factor in the recent bond downgrade. Indeed, Moody's referenced the socioeconomic weaknesses of the City's labor market noting that since 2000 both median family income and the city's population have fallen. Underlying these challenges but not unique to Middletown is the opioid crisis especially present in southwestern Ohio.

Addressing Property Values, Adkins noted a 13.5% decline in residential values and an 8.8% decline in total property values between 2011 and 2015. From 2011 to 2015 there was a \$58 million drop in residential property values (City Exhibit 3). For the past four (4) years, property tax collections have declined. Whereas in 2011 the City collected \$4,068,061 in property taxes, in 2017, revenue from property taxes was \$3,342,025 (City Exhibit 4).

Although Income Tax Revenue increased from \$19,659,979 in 2012 to \$24,047,903 in 2017 (City Exhibit 2), Adkins explained and Burton corroborated the income tax increase is attributed to two (2) major construction projects which are not likely to sustain tax revenue growth. Other than the "mom and pop" industries growing in the downtown area, Middletown has only three major employers: AK Steel (whose headquarters moved out of Middletown), Atrium Health, and a branch of Miami University. While income tax revenue increased in 2017, with adjustments for declines in property taxes, loss of government funding, and completion of the building projects, Adkins described the overall economic outlook as "effectively stagnant."

Both Property Tax and Income Tax are significant sources of income for the General Fund (Burton Testimony). The City also receives income from EMS billing which experienced a 10.7% increase from 2016 to 2017 (Union Exhibit 10). As part of a Joint Economic Development District, Middletown receives a small amount for administering the income tax for neighboring jurisdictions. Additional Funds described by Burton include a Separation Fund out of which accrued/contractual benefits for retiring or resigning employees are paid (City Exhibit 10), and the Health Care Fund. Due to two years of catastrophic expenditures, the Health Care Fund had to borrow from the General Fund so as not to have a year end negative balance. Those monies must be repaid to the General Fund.

As monies "went to payroll" (Adkins Testimony) and because of restricted resources, the City had been unable to make needed capital improvements. Sewer pipes, roads, equipment, facilities were, in

the past, neglected and these must now be renovated, what Adkins referred to as “deferred maintenance.” An older sewer system, which during periods of overflow would dump collected waste into the river, needs to be replaced. The City has entered into a Consent Decree with the EPA compliance with which will cost the City 265 million dollars (City Exhibit 8). Fire Department facilities and trucks must be updated.

Capital improvements are key to securing new business enterprises within the City. And this is going to take time. An aging population, a limited labor force and housing supply exacerbate the difficulties. Yet, Middletown is strategically situated between two major cities and there are positive indicators for potential growth and financial stability. City administration, focused on effecting a change, has “effectively controlled cost growth” and “maintained a healthy financial position” (City Exhibit 5, p.4).

At 20.9%, the City has a positive General Fund balance. In its Credit Opinion Moody’s identified the “healthy financial position, including strong liquidity across all governmental funds” as well as the “moderate debt burden with rapid repayment” as “credit strengths” (City Exhibit 5). Moody’s also noted “an operating surplus across major operating funds” (Id).

Citizen support for the City is apparent in the 2012 permanent renewal/increase of the income tax rate from 1.5% to 1.75% . In the same year voters supported a permanent Public Safety Levy. Between 2014 and 2017, the Pubic Safety Fund revenue increased by 13% (Union Exhibit 11).

Some progress in economic development is already apparent. In media the City Manager reported “over three-quarters of a billion dollars in new projects recently completed or underway” (Union Exhibit 9). These include a new NTE Power Plant and the official opening of the AK Research and Innovation Center. Other expansion or renovation projects include a recycling center, a Cincinnati Eye Institute facility on the Atrium campus, a fitness center. Improvements to and expansion of the Municipal Airport are being completed or are scheduled to be completed. The City recognizes a potential to recruit companies, diversify the tax base, and sustain income growth.

An indicator for the future is the focus of the administration on making necessary adjustments and committing to long term redevelopment plans. In 2017 the Fire Department issued a “Strategic Plan” which was developed with input from the unit as well as from the community, using expertise and resources within the state. Goals included exploring future funding sources and evaluation of facilities. Additional goals were developing a recruitment strategy and improving annual employee retention. (Union Exhibit 4).

During the course of the fact-finding hearing, this unit repeatedly expressed its bargaining objective to be the recruitment and retention of Firefighters committed to the City, goals identified in the 2017 Strategic Plan for the Fire Department. The recommendations which follow are intended to balance the fiscal limitations of the City with the need to appropriately compensate Firefighters for their essential services and to establish a desirable work environment, while maintaining the spirit of co-operation which has characterized this bargaining relationship.

Article 27 – Insurance

Health insurance provisions for the employees of the City are somewhat unique. Representatives for both unit and non-unit employees participate in a Health Care Committee which meets monthly and works with a health care broker to establish health care options for employees within a budget established by the City. At the fact-finding hearing the insurance consultant described his services to the Committee in providing guidance, financial projections, and information. Projections are based upon prior experience.

While the process is “fairly stable” and the Committee works well (Jim Dustin Testimony), a series of costly claims within the last few years required the City Employee Benefits Fund, which is

maintained to pay claims, to borrow from the General Fund. Additionally, because of employee “Caps” in Bargaining Agreements with Firefighters and the FOP, other employees not having comparable “caps” had to “pick up” increased costs. Dustin testified that this disparity added a complexity to the planning process and made it more difficult to project costs.

“Caps” on employee costs were in the Collective Bargaining Agreement between the parties at the time the Health Care Committee was established. Prior to 2017, the Committee was able to work within budget while providing all employees a selection from uniform benefits consistent with contract language. For 2018, however, the Committee was unable to provide similar benefits for all employees within the allotted budget. Consequently, this unit and an FOP unit “received richer benefit options than all other employees” (City Position Statement, p. 10). These differences were highlighted in City Exhibit 18.

In these negotiations, rejecting the City proposal to remove the “caps,” the Union proposes increasing potential employee costs. Although “caps” have been included in prior Collective Bargaining Agreements between these parties, uniformity in health care benefits for employees is a recognized rationale for recommending changes in contract language. Employees perform different services which necessitate differences in pay, but there is no justification for disparity in health insurance benefits -- to treat some employees differently from others in terms of health benefits. On the contrary, consistency in benefits promotes a positive morale among employees and fosters a healthy work environment. This is especially true when 1) benefit plans are drawn up by a representative Committee of employees; and, 2) the disparate benefits result in higher costs to other employees. Health insurance benefits should not “favor” one group of employees.

Moreover, as described by the Health Insurance Consultant, benefit plans are worked out by the Committee, but the variant of “caps” makes it more difficult to project insurance costs. “Caps” add a complexity which undermines Committee efficiency.

Finally, the fact-finder notes “caps” on employee insurance costs are not uniformly negotiated by Fire Department within the State. Indeed, two Fire Departments cited as comparable jurisdictions by the parties—Springfield and Hamilton- do not have any “caps” in the insurance provisions of their Collective Bargaining Agreements.

The Union expressed concern that without “caps” health insurance costs for employees would spiral out of control. To address this concern, the City has proposed language whereby the Unit could chose to withdraw from the Committee and directly negotiate health insurance with the City. Proposed language will not curtail insurance costs but it will give the Union the option of withdrawal and renegotiation.

Given 1) the functioning of the Health Care Committee and the Employee Benefit Fund, 2) the preference for uniformity in health care benefits for employees, and 3) the additional language providing for unit withdrawal from the Committee, the fact-finder recommends the language proposed by the City. Changing circumstances justify contract modifications. As discussed below in the Wages section, however, the relinquishment of this employee benefit must be balanced with the employees in this unit receiving some alternative compensation. Bargaining is a give and take process and when a Union gives up a long-standing and substantial employment perquisite, it ought to receive some compensation in the exchange, whether deemed “consideration” or a “quid pro quo.”

Consistent with intent to promote parity regarding health insurance, the fact-finder does not recommend “opt-out” provisions in these negotiations. Changes of this nature should be mutually explored, with cost analysis and a review of comparable contracts. While the Union cites SERB data indicating a growing percentage of cities with “opt-out” language, the evidence on similar jurisdictions does not address the “opt-out” proposal. Internal parity, however, factors against the inclusion of such language in the current contract.

Article 44 - Promotions

a) The city has proposed - and the Union did not oppose-- language requiring applicants to the Apparatus Operator classification be at a minimum Step D. Assistant Chief Snively testified at the hearing as to the rationale for this City proposal, including both the complexities of the position as well as the need for proficiency in operating Fire Apparatus. Given the reasonableness of the proposal and the acquiescence of the Union, the City proposal is recommended.

b) The Union proposes an increase in compensation for assignment to the Squadman position. Although bargaining history was not introduced on this issue, it is apparent from the contract language that the parties agreed in the 2015-2017 Agreement to phase out the Squadman position. Language agreed upon to effect this contract change is set forth in Article 44A. (2).

The Union proposal is to increase the per diem compensation paid to Firefighters temporarily assigned to the position of Squadman and an increase from 6% to 7% for those employees currently in the position. While the Division is no longer promoting to Squadman, employees are temporarily assigned to work the position and when so assigned for twenty-four (24) hours, these employees are paid an additional \$26. Those employees currently holding the position have at least seven years of experience on the Squad and are, therefore, receiving the additional 6%. The Union argues that the additional compensation now proposed is justified by the services rendered and that with income received from EMS billing, the City has the ability to pay the increase.

Citing its financial limitations the City is opposed to the increase. The City contends that a small number of employees should not receive more in compensation from limited resources than other unit members.

To an extent, the fact-finder agrees with the City. The additional compensation paid to unit members holding the position of Squadman was negotiated in the prior Agreement to reflect both the service rendered and length of service on the Squad. In terms of specific services rendered and length of service on the Squad, nothing has changed to justify a contract modification. The party proposing a change in contract language has the burden of demonstrating that changing circumstances warrant a change in language. The percentage increase paid to Squadman remains based on service rendered and length of time on the Squad. Pursuant to prior negotiations, these employees are presently receiving more than other employees and increasing that differential lacks any justification.

The Union has argued that the work load for the Department has increased. But that fact applies to the unit as a whole and not exclusively to Squadmen. To pay Squadmen a higher differential based on an increased workload singles out one group for preferential treatment.

The payment for temporary assignments differs, however, in so far as these employees receive a constant dollar amount rather than a percentage increase, or a differential. Yet, the value of the dollar during the 2015-2017 contract is not the same as the value of the dollar today. Nor is the consumer price index the same today as it was at the time of prior negotiations. The cost of filling a car with gasoline or buying a gallon of milk is not the same today as it was in 2015. Since the stipend for the temporary assignment is not based upon an increasing wage rate, as with the added compensation paid to classified Squadmen, some adjustment is warranted. Moreover, providing an increase in the per diem is not singling out a group of employees for preferential treatment. Rather, it is paying for additional services rendered.

Considering that the parties bargained the \$26.00 payment in the negotiations for the 2015-2017 Agreement, the increase sought by the Union is unnecessarily high. Raising the stipend from \$26 to \$28.50 effective January 1, 2019 would compensate for the additional services rendered without placing an undue burden on the City, which, it is important to note, retains the right to make the

assignments. Yet, if employees are asked to perform additional services, they should be paid accordingly. The fact-finder recommends increasing the per diem paid Firefighters assigned as Squadmen for a twenty-four hour period to \$28.50.

Article 45 - Wages

a) There are two (2) aspects to the impasse regarding wages: 1) a differing percentage increases, and 2) step adjustments proposed by the City and rejected by the Union. Addressing, first, the step adjustment or salary structure, the fact-finder notes the modification is a significant modification to the step system which has been previously negotiated and has been incorporated into prior Collective Bargaining Agreements for many years. As the proponent of the change, the City bears the burden of justification.

In proposing the adjustment, the City has argued that the current increases between steps do not reflect increases in the consumer price index. Since the proposal is to grandfather current employees on the existing steps and apply the proposed steps to new hires, the City contends that no current employee will sustain a financial loss. Additionally, the City contends that current yearly salary increases are unsustainable for the City (City Position Statement).

Although wage increases may appropriately be related to the consumer price index, salary schedules are different. Typically, movement on a step is based on performance and length of service. Rather than to provide a cost of living adjustment, the purpose of the step system is to value performance and encourage employee retention.

In this regard, the Union argues that the proposal of the City is adverse to the mutual goal of recruitment and retention. There is no evidence of any Fire Department having a salary structure comparable to that proposed by the City. Indeed, the step or salary schedule proposed by the City is “unusual” and may well be a deterrent to attracting and keeping new hires.

As explained by the Assistant Fire Chief, firefighting requires a high level of trust among employees. Safe and successful operations within the Department are a team effort, firefighters working side by side. Creation of tiers or divisions has the potential for undermining cohesion within the Department, adversely affecting morale and performance. The proposal of the City would establish a two salary schedule for employees who consistently work as a unit.

Having been in place for decades through multiple bargaining agreements, the salary structure should be modified only with input from the Union, careful study including comparisons with other Fire Departments, and a costing out process. Indeed, the 2017 Strategic Plan for the Fire Department references recruitment and retention, and while it addresses funding sources and alternative sources of revenue, modification to the salary schedule is not included therein. Based on the foregoing analysis, the Fact-finder does not recommend changing the salary structure in these negotiations for a successor Agreement.

b) The City has proposed a 2% increase for each year of the Agreement, while the Union seeks a 4% increase. Finance Burton Director testified that 2% is the wage increase for which the City is budgeted and that 2% is the increase granted to non-unit employees as well as to the AFSCME, Transit, Dispatch, Corrections Officers and Civilian Police units for 2018. The later three units have a wage re-opener for contract year 2019 (City Exhibit 21).

Complicating the issue of wages are recently implemented changes to SAFR grants by which the City has added a number of EMT positions to its Fire Department. Recent changes cited by the City reduce the monies received from the grants, significantly increasing the financial obligation of the City.

Since 2012, wage increases within the City have been reflective of cautionary bargaining, and although SERB statistics were not introduced at the hearing, caution is characteristic of bargaining

across the state. Employers are properly reluctant to return to those obligations which resulted in wage freezes and lay-offs. Still, both the Union and the City recognize a need for recruiting and retaining professional Firefighters as part of a strategic plan for the Middletown Fire Division (Union Exhibit 4) and a competitive wage is an element in working towards that goal.

A common criteria for determining a fair wage increase is comparability with other similar units. Both the Union and the City cite Hamilton and Springfield as comparable jurisdictions, demographically as well as geographically. In terms of the maximum annual salary paid to Firefighters, Middletown is currently \$4,000 below Hamilton and \$5,528 above Springfield (City Position Statement, 13). While successor data is not available, both Springfield and Hamilton negotiated 2% wage increases for their Fire Departments in their current contracts. Thus, a 2% increase for this unit should maintain Middletown's ranking between these comparable cities.

In reviewing the Internal Comparison of Wage Increases presented by the City, the Fact-finder notes that, historically, consistency in wage increases for employees has not been a practice as wage increases have varied. While over the years this unit received more in increases than some units, it also received less. Wage increases for the bargaining units in the City have been within a range, but the City has not engaged in pattern bargaining. The fact-finder notes, too, that from 2012 through 2015 this unit experienced a wage freeze, not uniformly shared by all units. The only year in which each unit in the City had wages frozen was 2014.

Moreover, while runs for the unit have increased, staffing has been reduced. In its position statement, the Union points out that in the decade since 2007, the unit has experienced a 35% increase in workload with a 7.5% reduction in staffing.

While internal parity should be taken into account in considering an appropriate wage increase, a factor for this particular unit is the increased health care costs employees may experience in 2019 pursuant to the health insurance modifications recommended above. Not all units may have comparable adjustments in contract language on health insurance. Additionally, while three (3) wage re-openers for 2019 are in place for other units, neither party has proposed a re-opener and both seek resolution for this three year Agreement.

In its 2017 strategic plan for the Fire Department, Goal 3 is to "explore future funding sources and consider alternative sources of revenue" (Union Exhibit 4). Part of that goal identifies research for charging for specific services, such as fire inspections and false alarms. Corporate sponsorship and grant opportunities are cited as potentially generating additional income. While the economy of the City is currently "stagnant," the Department recognizes opportunities for revenue growth which should be explored and pursued. These possible income sources, though, are future developments which potentially come into consideration in subsequent bargaining. For the Collective Bargaining Agreement now in negotiation, present realities warrant cautionary bargaining, compliant with statutory criteria.

Accordingly, based on the preceding discussion, the fact-finder recommends:

1. Effective January 1, 2018, a 2% increase;
2. Effective July 1, 2018, an additional .66% increase
3. Effective January 1, 2019 a 2%
4. Effective January 1, 2020 a 2% increase.

Recommendations

The fact-finder recommends the following:

1. Article 27- Insurance

The fact finder recommends the removal of employee caps as set forth in Appendix A of the 2015-2017 Agreement. Additionally, the fact-finder recommends the following language, as proposed by the City, be included in Article 27, Section A:

(4) Either the City or the Members may stop participation in the Health Care Committee by providing written notice to the opposite party.

(5) In the event either the City or the Members chose to stop participating in the City Health Care Committee, or the City Health Care Committee ceases to exist the following shall occur:

- a. The Members shall maintain the health care coverage that they have in place on the date the committee ceases to exist or on the date written notification in A(4) is provided to the opposite party.
- b. The parties agree that in the event either party chooses to stop participating in the City Health Care Committee, or the City Health Care Committee ceases to exist, the parties agree to re-open negotiations with regards to Insurance for the remaining terms of the current contract at the request of either party.

2. Article 44 – Promotions

The fact-finder recommends increasing the per diem set forth in Article 44 A. (2) to \$28.50.

The fact-finder recommends the following language be added to Article 44 B:

To be eligible for promotion to apparatus operator, the employee must have obtained Step D in the pay scale.

3. Article Wages 25 -Wages

The fact-finder recommends the following wage increase:

- Effective January 1, 2018 a 2% increase;
- Effective July 1, 2018 an additional .66% increase;
- Effective January 1, 2019 a 2% increase;
- Effective January 1, 2020 a 2% increase.

The fact-finder does not recommend the salary structure modifications proposed by the City in these negotiations.

4. *Tentative Agreements*

The fact-finder incorporates as if fully rewritten into these recommendations all tentatively reached agreements between the parties.

Respectfully submitted,

s/s Margaret Nancy Johnson
Fact-finder

Service

The preceding report and recommendations have been electronically served this 14th day of May, 2018 on the City at susanc@cityofmiddletown.org; on the Union at timk104@hotmail.com; and on SERB at MED@serb.state.oh.us.