

FEB 3 10 04 AM '00

IN THE MATTER OF  
FACT-FINDING PROCEEDINGS

: REPORT OF THE FACT-FINDER

: STATE EMPLOYMENT  
RELATIONS BOARD

: CASE NO. 99-MED-07-0618

BETWEEN

INTERNAL ASSOCIATION OF  
FIREFIGHTERS  
LOCAL UNION NO. 88

:

AND

:

CITY OF ZANESVILLE, OHIO

:

.....

HEARING: DECEMBER 20, 1999  
ZANESVILLE, OHIO

FACT-FINDER: THEODORE V. CLEMANS  
ARBITRATOR  
1889 SHOSHONE DRIVE  
LONDON, OHIO 43140

I. **APPEARANCES:**

On Behalf International Association of Firefighters, Local Union  
No. 88

John Mozena	President, IAFF Local 88
Jeffrey Jadwin	Secretary, IAFF Local 88
Scott Ford	Representative, IAFF Local 88
Gale Law	Representative, IAFF Local 88
Jim Prang	Representative, IAFF Local 88

On Behalf of City of Zanesville

Dales Raines	Director of Budget and Finance
David Lacy	Assistant Fire Chief

## II. RECORD OF EXHIBITS

The parties submitted exhibits at the hearing and the fact finder accepted the exhibits into the record as evidence without objection for this dispute. The following exhibits were produced:

### For the City of Zanesville

Position Statement	City of Zanesville
City Exhibit #A	SERB1999 Report on Health Insurance Cost
City Exhibit #B	1999 Annual Pay Comparison: City of Zanesville Police and Firefighters.

### For the IAFF Local No. 88

Position Statement	IAFF Local No. 88
Union Exhibit #1	City of Zanesville Insurance Coverage By Bargaining Unit
Union Exhibit #2	Comparability Data for Similar Size of Cities on Vacation and Holiday Time Off
Union Exhibit #3	Comparability Data for Cities of Similar Size on Wages and Work Week
Union Exhibit #4	Statement of Factors For Consideration

### III. INTRODUCTION AND BACKGROUND

On December 1, 1999, the State Employment Relations Board (“SERB”) appointed the undersigned as fact finder pursuant to Ohio Revised Code Section 4117.14 (C) (3). The fact-finding hearing was held on December 20, 1999, at the offices of the City of Zanesville.

This matter involves the negotiation of a successor collective bargaining agreement between the City of Zanesville, Ohio (“City” or “Employer”) and Local 88 of the International Association of Firefighters (“Union”). The bargaining unit in the current agreement consists of those individuals serving as permanent uniformed firefighters below the rank of Assistant Fire Chief under the present classification system. At the present time, the Union represents 43 employees in the bargaining unit. The prior collective bargaining agreement between the parties expired on December 31, 1999. At the time of the fact-finding hearing, the parties are still operating under the provisions of the agreement.

Prior to the fact-finding hearing, the parties have engaged in a number of negotiation sessions and worked in good faith for the purpose of negotiating a successor agreement without success. During this negotiation process, the parties have reached agreement on issues except those submitted to this fact-finding hearing. The parties agreed that all provisions of the new collective bargaining agreement are to be retroactive to January 1, 2000.

At the hearing, the fact-finder offered to mediate, but the parties agreed there was nothing to be accomplished by further mediation and requested the fact-finding should proceed. The only remaining issues are those discussed in this report. The parties have reached a tentative agreement on thirty (30) articles for a successor collective bargaining agreement. The tentative agreements of the parties are hereby incorporated by reference into this report as recommendations. Prior to the hearing, the Union and Employer submitted prehearing position statements in accordance with Ohio Administrative Code 4117-9-05(F).

At the time of the fact-finding hearing, the following issues and articles were unresolved:

1. Insurance (Article 13)
2. Holidays (New Proposed Article)
3. Wages (Appendices I-III)

#### IV. STATUTORY CRITERIA

The following findings and recommendations are offered for consideration by the parties; were arrived at pursuant to their mutual interests and concerns; are made in accordance with the data submitted; and in consideration of the following statutory criteria as set forth in Rule 4117-9-05 of the Ohio Administrative Code:

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 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. 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 the private employment.

V. **ISSUES FINDING OF FACT AND RECOMMENDATIONS**

A. **ARTICLE 13 – INSURANCE**

There are three sections of Article 13 that remain unresolved between the parties.

**POSITION OF THE CITY**

The City proposes replacement language for the current Section 13.1 of Article 13 as follows:

**“Except as provided herein, the City shall pay the entire premium payment for the existing Central Benefits plan for the employee. Bargaining unit employees shall pay the same amount for family coverage as paid by unaffiliated employees of the City, up to a maximum of \$10.00 per pay period by payroll deduction.”**

The City currently pays one-hundred (100%) of the cost of health insurance for all of its employees. The City argues that for the years 1997-1999, the City’s cost of providing this benefit has increased by an average of 11.2% per year. In addition, the Employer further contends that it has been notified by the current insurance carrier of a pending increase this year of 17.7% in funding levels associated with providing this benefit to its employees. The Employer argues that as medical expenses have risen over the past three years, the carriers

have responded by increasing the cost of insurance to offset their expenses.

The City's position on this issue is that the City wants the firefighters and other bargaining units to pay a maximum of ten dollars (\$10.00) per pay period for single or family coverage. According to the City, the 1999 edition of the SERB annual survey of cost of health insurance for public sector jurisdictions reports that 65% of public sector employers require that employees pay some portion of their health insurance. The City further submitted that the SERB report for southeast Ohio shows that 77% of the employees surveyed make some contributions toward single and family plan coverage. Therefore, since Zanesville is in southeast Ohio, it is reasonable for its employees to make some contribution toward their health insurance premiums. To offer some assurance to the bargaining unit that they will not be the only employee group making a contribution towards health insurance premiums, the City modified its proposal to stipulate the bargaining unit will pay the \$10.00 contribution only if the unaffiliated employees are required to pay the \$10.00 per pay period contribution toward the family plan.

Secondly, the City has proposed adding an optical plan to the current benefit program for all of the bargaining units within the City. The Employer has initiated the proposal with the bargaining unit in order to capture enough covered employees

to make the optical plan cost effective. The Employer has proposed adding paragraph (D) to Section 13.2, as follows:

**“(D) Bargaining unit employees shall be included should the City add an optical plan to the health plan of any other employee group. It is the intent of the City to add such coverage if, through the process of negotiations, the number of employees eligible can justify adding the coverage.”**

Thirdly, the City is proposing a new section to current agreement that will allow the processing of a dispute for insurance grievances to begin at step three (3) of the procedure for the purpose of expediting the grievance to the appropriate level of management for decision making purposes. The other bargaining units with the Employer have accepted the provision in their agreements. The Employer proposes Section 13.5, as follows:

**“Section 13.5 Insurance Grievances**

**A grievance alleging violation of the terms of this article shall proceed immediately to Step 3 in the grievance procedure pursuant to Section 10.16.”**

**POSITION OF THE UNION**

The Union’s proposal regarding the present Article 13, Section 13.1, is to maintain the current language of the Agreement wherein the City would continue to pay the full cost of the

medical coverage program with the current deductibles remaining the same as in prior collective bargaining agreements.

The Union points out that if the City wants to compare and tie their level of contribution of premiums for the health insurance program to the unaffiliated employees in the City, the Employer should reduce their deductible portion to be the same as the unaffiliated employees. They have a \$50 deductible for a single plan as compared to \$125 for the Union. The unaffiliated employees have a \$100 deductible for the family plan as compared to the Union deductible of \$400. The Union argues and asserts these should be equity in the deductible coverage if there is to be equity in payment of the premiums for the insurance program. The Union does not oppose the other two agreement modifications proposed by the Employer.

## **DISCUSSION AND RECOMMENDATIONS**

One of the most sensitive items in negotiations last year and for upcoming years in both the private as well as the public sector is the issue of the increasing cost of health insurance. After a few years of relatively small increases in premium costs, most employers received an average increase of 8.7% in 1999 and anticipate rate increases of 9-10% this year. The figures provided at this fact-finding hearing is that the City was expecting a 17.7% increase in funding levels for the current

insurance program provided to its employees. As a result, more time and effort will be spent on formulating methods of cost containment in the health benefit area than in almost any other negotiable benefit.

The concept of employee participation in the overall health insurance program proposed by the Employer is not a new concept and is in place in many comparable jurisdictions. Both of the parties presented evidence as to other communities of the same size in adjacent and contiguous counties, a comparison of the firefighters wages and compensation with firefighters of these comparable jurisdictions. The fact-finder reviewed the agreements in the cities the parties presented as evidence at hearing. The following table indicates the firefighter contribution in premium dollars or percentage as stated in their respective agreement. They are as follows:

**IAFF CONTRIBUTION**

<u>Employer</u>	<u>Single Plan</u>	<u>Family Plan</u>
City of Cambridge	\$15	\$45
City of Heath	0	0
City of Lancaster	\$30	\$68
City of Newark	10%	10%
City of Coshocton	0	0

As the table indicates, in three out of the five comparable employers, firefighter participation in payment of the cost of health insurance is a part of the existing collective bargaining agreement.

In making recommendations, a fact finder is required to consider the past collective bargaining agreements between the parties. Even though a fact finder is not bound to follow past agreements, he must give substantial consideration to them. It is the intent of the statutory criteria stated in Ohio Revised Code Section 4117. The parties do not currently have a provision in their agreement requiring the Union to pay a portion of the health insurance program. Thus, firefighter participation in payment of the health insurance would represent a new concept in the parties historic relationship. In this context then fairly assuming that the cost of providing health insurance has been increasing in the past years also, participation in the premium payment, to the extent premiums exceed current levels, represents a diminution of the historic health care benefit. Such has come to be accepted by comparable jurisdictions, however, in light of the recent increasing upward pressure on health insurance costs. The moving party bears the burden to convince the fact finder that a change is necessary. I find persuasive the gradualism concept embodied in the Employer proposal. The cost trend and comparable jurisdiction data would be relevant here to justify

the City's position on this issue. It serves to bring home to employees the burden of health care costs, while at the same time going far enough toward preserving the status quo with respect to this health care benefit. And since the proposed amount of premium participation is not increasing during the durations of the agreement, even if there are further increases in the premium, no case of financial hardship is made out.

The fact finder recommends the adoption of the proposal of the Employer for health insurance benefits. The recommendation is as follows:

**Article 13, Section 13.1**

**Except as provided herein, the City shall pay the entire premium payment for the existing Central Benefits plan for the employee. Bargaining unit employees shall pay the same amount for family coverage as paid by unaffiliated employees of the City, up to a maximum of \$10.00 per pay period by payroll deduction.**

**Section 13.2 (D)**

**(D) Bargaining unit employees shall be included should the City add an optical plan to the health plan of any other employee group. It is the intent of the City to add such coverage if, through the process of negotiations, the number of employees eligible can justify adding such coverage.**

**Section 13.5 Insurance Grievances**

A grievance alleging violation of the terms of this article shall proceed immediately to Step 3 in the grievance procedure pursuant to Section 10.16.

**B. HOLIDAYS AND VACATION**

**NEW SECTION – ARTICLE 12**

**POSITION OF THE CITY**

The City opposes the new section on holiday pay proposed by the Union. It states that the firefighters already have time off for vacation and holidays built into the current vacation accrual system. The City argues that the Union has never had a provision for holidays in the agreement in twenty years because the firefighters have received a larger amount of vacation accumulation at each level of vacation benefit to offset the need for holiday pay being granted to firefighters. In addition, the City points out that the correction officers and police department collective bargaining units do not contain provisions for holiday pay. The City offers the following table to compare annual vacation accruals of the different employee groups as compared to the firefighters. The table depicts the following:

Firefighters:

<u>Years</u>	<u>Annual Vacation</u>	<u>Vacation Converted*</u>
1	263.9	188.5
2 to 5	288.0	205.7
6 to 10	312.0	222.9
11 to 14	336.0	240.0
15+	360.0	257.1

Police Officers and Correction Officers:

<u>Years</u>	<u>Annual Vacation</u>
1 to 5	160.2
6 to 8	180.0
9 to 12	200.2
13 to 18	240.0
19+	248.0

A.F.S.C.M.E.

<u>Years</u>	<u>Annual Vacation</u>
1 to 2	39.0
3 to 5	80.6
6 to 10	119.6
11 to 15	144.0
16 to 20	161.2
21+	177.2

Unaffiliated:

<u>Years</u>	<u>Annual Vacation</u>
1	80.1
2 to 5	88.1
6 to 10	110.8
11 to 15	134.7
16 to 20	158.6
21+	174.7

\* converted figure is actual hours divided by 1.4 (56-hour week/40 hours standard = 1.4)

## **POSITION OF THE UNION**

The Union proposes to allow the firefighters to receive up to five (5) tours of duty or 120 hours of pay for holiday pay (option #1). The second option proposed by the Union would grant to firefighters double time payment for all hours they are regularly scheduled to work on recognized holidays, and double time and one half for all hours worked by firefighters not regularly scheduled to work, but required to work overtime on a recognized holiday. The Union asserts that the current contract does not have a provision for holiday pay and that firefighters in the comparable jurisdictions receive holiday pay and/or overtime payment for working recognized holidays. There is no provision for holiday pay or overtime payment in their current agreement for working on the recognized holidays that their counterparts (see Union Exhibit #2) and other City employees receive for working on the holidays.

## **DISCUSSION AND RECOMMENDATION**

The fact finder notes that the existing annual vacation accruals of the firefighters as compared to the other employee groups of the Employer. It is obvious in some of the year categories that on a comparable basis the firefighters accumulate a variable of more vacation as compared to the police and corrections officers. As I stated earlier in this report, a fact finder is

required to consider the historical collective bargaining agreements between the parties. Even though a fact finder is not bound to follow the previous agreements, he must give weight and consideration to them. However the statutory mandates for fact finders give consideration to employees who perform comparable work. Thus the comparisons with the City's police and correction employee units and other employees of the City are less relevant than comparisons with other firefighters. A review of the same employer agreements cited earlier in this report gives us a more relevant comparison of vacation, holiday and personal day provisions. The comparison is as follows:

**COMPARISON OF EMPLOYER**

<u>Employer</u>	TOTAL HOURS FOR <u>Vacation, Holiday, and Personal Days (15 yrs on comparable)</u>	<u>10 years on comparable</u>
Zanesville	360	336
Newark	456	384
Coshocton	330	268
Cambridge	352	296
Heath	504	456
Lancaster	200 *	150 *

\* overtime payment on selected holidays

As the Union has pointed out, firefighters in the five comparable jurisdictions receive holiday and (in some cases) personal days in addition to their annual vacation leave. It is noteworthy to make a comparison of years of service with annual leave in the five jurisdictions. The data points to the fact that the Employer is below two Cities, about equal to another similar Employer and above two other Cities in the table. The fact finder must conclude that there is sufficient evidence to support the inclusion of some recognition of holiday pay in the new collective bargaining agreement.

The fact finder recommends the adoption of the following:

## **ARTICLE 12**

**Section 12.11: The following holidays are those which shall be recognized and observed in the Bargaining Unit following the date this Agreement is signed:**

<b>New Years Day</b>	<b>Labor Day</b>
<b>Martin Luther King Day</b>	<b>Thanksgiving Day</b>
<b>Memorial Day</b>	<b>Easter</b>
<b>Independence Day</b>	<b>Christmas</b>

**Section 12.12 For the above mentioned holidays, all employees shall receive “holiday pay” on the first pay after December 1, said holiday to be determined by paying each employee his base hourly rate, for a twenty-four (24) hour workday for twenty-five (25%) percent of the number of holidays set forth in Section of this Article. Thus a bargaining unit member would be paid for two (2) tours of duty twenty-four (24) forty-eight (48) hours each”.**

C. **WAGES**

**POSITION OF THE CITY**

The City has proposed a wage increase of 3.5 percent, effective January 1, 2000, with additional increases of 3.5 percent during the second and third years of the agreement.

The City points out that its offer is very reasonable for two major reasons. First, the City contends the rate of inflation as measured by the Consumer Price Index for all Urban Consumers (CPI-U) during the years of the contract have been 1.6 percent, 1.7 percent, and 2.8 percent. The Employer notes that this is an average of 2.09% increase in the CPI-U for the three years of the agreement, while Zanesville firefighters received raises of 4 percent, 3.5 percent, and 3.5 percent during the same period of the agreement. This would result in an average increase of 3.67 percent over the three year term of the agreement as compared to 2.09 percent raise in the CPI-U in the same years. Second, the City notes that this wage offer is supported by evidence of comparability with surrounding cities. The Employer argues that Zanesville firefighters are paid well relative to the firefighters in the four comparable cities. The City asserts that if you include the City of Zanesville retirement pick-up in the wage calculations as well as the current Employer offer of 3.5 percent, the comparison would indicate that the Zanesville firefighter would rank at the top of

the wage scale of the comparable cities for the year 2000. The City notes that their offer of 3.5 percent over three years is equal to or greater than the current percentages in the comparable cities agreements with its firefighters during the term of the contracts. The City offers the following comparison for the year 2000:

<u>City</u>	<u>Annual Wage</u>	<u>Employee Pension %</u>	<u>Employee Pension \$</u>	<u>Annual Wage After Pension</u>
Cambridge	\$32,192	10.0%	\$ 3,219	\$28,973
Coshocton	\$27,452	0.0%	\$ 0	\$27,452
Lancaster	\$35,438	10.0%	\$ 3,544	\$31,894
Newark	\$37,820	10.0%	\$ 3,782	\$34,038
Zanesville (proposed)	\$34,236	0.5%	\$ 171	\$34,065

### POSITION OF THE UNION

The Union proposes that wage rates be increased by 6 percent effective January 1, 2000, with additional increases of 6 percent during the second and third years of the agreement. The Union argues that the wage increase proposed by the City does not adequately compensate them as compared to firefighters in comparable jurisdictions. Using the top pay for a firefighter, the Union calculates that the Zanesville firefighter makes less per hour than several comparable city firefighters. The Union argues that their hourly rate is among the lowest of the comparable cities. The Union contends that the only reason

their annual pay is comparable to other firefighter's annual pay is because the comparable firefighters work considerably less hours to receive their annual amount of pay. The Union points out that those comparable cities recognize holidays and vacation that accumulate at a higher amount than Zanesville firefighters. As a result they work less hours and earn comparable annual compensation with the Zanesville firefighter. The Union proposes as evidence, its research in the following table. The Union comparison table shows the following:

<u>City</u>	<u>Hourly Rate</u>	<u>Work Week</u>	<u>Annual Wage</u>	<u>Employee Pension</u>	<u>Annual Wage After Pension</u>
Zanesville	\$11.06	56	\$33,069	.5%	\$32,903
Newark	\$14.64	48	\$36,541	10%	\$32,887
* Coshocton	\$11.77	42	\$27,452	10%	\$27,452
Cambridge	\$14.84	56	\$44,371	10%	\$39,934
Lancaster	\$14.19	50	\$35,438	10%	\$31,895
Heath	\$12.52	56	\$37,434	10%	\$33,691
Norwich Twp	\$17.64	56	\$48,615	10%	\$43,754

\* The Fire Department operation allows for firefighters to earn a large amount of overtime.

The Union also points that the firefighters have been required to take additional EMT training since 1996 and have had an increase of 31 percent in their runs as Emergency Medical Technicians (EMT) without increased compensation for the jobs as EMT's. In addition, there has been no increase in the

number of firefighters to cover this increased volume of work in the department.

The Union maintains there is a disparity in wages proposed for firefighters compared to other City employees. For example, the Union contends that the City is paying non-union management employees a wage increase of 10 percent a year for the next three years which is in line with comparable cities. The Union argues that the firefighters should also be paid a wage which is in line with the other firefighters in comparable cities.

### **DISCUSSION AND RECOMMENDATION**

Both of the parties presented evidence as to the other communities of similar size in adjacent and contiguous areas, a comparison of the firefighters wages in those selected jurisdictions. The Union and the City differ on the cities to be included in the list of comparables and they differ in how to calculate the wages of the firefighters in these cities. The fact finder notes the Union made the assertion, unchallenged by the City, that Coshocton firefighters have a different operational schedule working a forty-two hour week with a large portion of their wages coming from overtime work than the other five departments. I agree with this position and will not include Coshocton in my review and in the comparability analysis. In addition, the Union inclusion of Norwich Township (Hilliard)

does not meet the intent of the statute for making comparisons of similar work in comparable cities. I will not include Norwich Township in my review.

Looking at the data from a neutral point of view and the available data from SERB for the comparable cities allows the fact finder to construct a more neutral comparison of the data. Using the data in the current collective bargaining agreement from the comparable cities that include pension pickup for the City of Heath and City of Lancaster, we have the following:

<u>City</u>	<u>Work Week</u>	<u>* Hourly Rate – 2000</u>	<u>Annual Wage After Pension</u>
* Zanesville	56	\$11.45	\$34,065
Newark	48	\$15.15	\$34,038
Cambridge	56	\$11.06	\$29,763
Lancaster	50	\$14.19	\$32,780
Heath	56	\$12.44	\$35,694

\* Assumption of 3.5% for Zanesville

Wage increases for each of the past three years have been in the form of general wage increases of 3.5 to 4.0 percent. The fact finder notes that proposals offered by the Union include a general increase of 6 percent per year for three years. It is clear that the implementation of all of the proposals of the Union would result in a wage increase significantly greater than

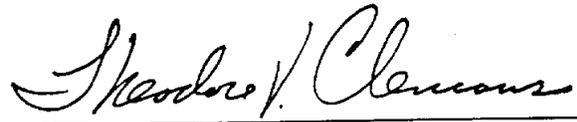
the increases of the past collective bargaining agreements (18 percent as compared to 11 percent). In making recommendations, I stated earlier in the report, a fact finder is required to consider the past collective bargaining agreements between the parties. Even though the fact finder is not bound to follow the agreements, he must give substantial consideration to them. In addition, there is no evidence to show that firefighters in the comparable jurisdictions are receiving increases comparable to the proposal offered by the Union.

The fact finder is not persuaded by the City's argument that the firefighters are the highest paid in the comparable jurisdictions. The City of Heath firefighter is clearly paid higher than a Zanesville firefighter after pension pick up in their contract. The City of Newark's firefighter's annual pay is higher than the Zanesville firefighter after consideration of pension pick up because of the lesser work week required in their agreement. These comparisons always present a challenge because firefighter salaries are difficult to compare across jurisdictions. Thus, the Employer's annual pay for a firefighter ranks somewhat lower than the City of Newark, but higher than the cities of Lancaster and Cambridge.

The EMT work is certainly a great value to the citizens of Zanesville, and the persons who provide this service should be properly compensated. The fact finder must presume without evidence to the contrary that past collective bargaining agreements were negotiated with the understanding that the wages were meant to compensate firefighters for both fire fighting and EMT work. There is no evidence that either the duties or the new certification was recently added as an element of a firefighter's job duties. Therefore, it would not be appropriate for a fact finder to recommend any additional form of compensation pertaining to the EMT issues.

Based on the available evidence, the fact finder recommends a wage increase for Zanesville firefighters of 3.5 percent effective January 1, 2000. The fact finder recommends an additional 4.0 percent increase effective January 1, 2001, and 4.0 percent increase effective January 1, 2002.

The above stated recommendations are respectfully submitted to the parties for their consideration.



---

Ted V. Clemans, Fact Finder

I do hereby certify that on this 2nd day of February 2000, a copy of the foregoing report and recommendations of the Fact Finder was served upon Dale Raines, City of Zanesville, 401 Market Street, Zanesville, Oh 43701; John Mozena, President, Local #88, IAFF, P.O. Box 3492, Zanesville, Ohio, each by regular U.S. mail, postage prepaid; and upon George Albu, Esq., Administrator, Bureau of Mediation, State Employment Relations Board, 65 East State Street, Columbus, Ohio 43215-4213 by regular U.S. mail, postage prepaid.