

CONCILIATION DECISION

STATE EMPLOYMENT RELATIONS BOARD

STATE OF OHIO

September 19, 2017

In the Matter of:

Perkins Township)	
)	Case No. 2016-MED-07-0692
and)	Firefighters, Lieutenants/Fire Inspectors,
)	Captains, and Assistant Chief
Perkins Township Firefighters,)	
IAFF Local 1953)	

APPEARANCES

For the Township:

John Coppeler, Attorney
Gary Boyle, Administrator
Keith Wohlever, Fire Chief
Lynn Hargrave, Administrative Assistant
Ashley Ohlemacher, Payroll

For the Union:

Ryan Lemmerbrock, Counsel
Mary Schultz, Financial Expert
Scott Hillman, Negotiating Committee
Brian Brace, Negotiating Committee
William LaFenc, Negotiating Committee

Conciliator:

Nels E. Nelson

BACKGROUND

The instant dispute involves Perkins Township and Perkins Township Firefighters, IAFF Local 1953. The township has a population of 12,760, consists of 25.9 square miles, and has a median household income of \$57,969. The union represents 14 firefighters, one fire marshal, three lieutenants, three captains, and one assistant chief. The 26 part-time firefighters employed by the city are not members of the bargaining unit.

The parties are engaged in negotiating a successor agreement to the one that expired on September 30, 2016. Negotiations began on August 10, 2016, and six bargaining sessions were held. When no agreement was reached, the union requested fact-finding.

On February 2, 2017, Gregory Lavalley was appointed as the Factfinder. On April 13, 2017, he conducted a mediation session but when no settlement was reached, a fact-finding hearing was held on May 8 and 12, 2017, to address the more than 20 unresolved issues. The Factfinder issued a lengthy report on May 23, 2017. The report was accepted by the township but rejected by the union.

The dispute then advanced to conciliation. The Conciliator was appointed on June 20, 2017. When the parties' continuing efforts to resolve the dispute were unsuccessful, the conciliation hearing was held on August 31, 2017. At that time, the parties still had more than 20 unresolved issues.

Before opening the hearing, the Conciliator attempted to mediate the dispute. While no overall settlement was possible, many of the outstanding issues were resolved, leaving ten issues for the Conciliator's consideration.

The Conciliator is required to select the most reasonable final offer for each issue without modification. The selection of a final offer is based upon the criteria set forth in Section 4117.14(G)(7) of the Ohio Revised Code. They are:

- (a) Past collectively bargained agreements, if any, between the parties;
- (b) Comparison of the issues submitted to final offer settlement 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;
- (c) The interest and welfare of the public, and 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;
- (d) The lawful authority of the public employer;
- (e) The stipulations of the parties;
- (f) Such other factors, not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution procedures in the public service or in private employment.

ABILITY TO PAY

An important statutory criterion is the ability to pay. It is relevant not only in considering the parties' wage proposals but some of the other issues placed before the Conciliator. The union's position was presented by Mary Schultz, an experienced financial consultant. The township's position was offered by Diane Schaefer, the township's Fiscal Officer,

Union Position - The union argues that the township has the ability to pay its wage demand. It points out that 23% of General Fund revenue comes from property taxes, 38% from the motel tax, and 7% from the Local Government Fund. The union notes that prior to 2011, the township received approximately \$250,000 in LGF funds but by 2016, it received only \$154,000.

It adds that prior to 2013, the township collected approximately \$590,000 per year in estate taxes but the tax was eliminated in 2013.

The union contends that between 2011 and 2016, General Fund year-end cash balances have increased. It states that in 2011 the year-end balance was \$389,000 but by 2016 it reached \$3.1 million. The union indicates that the 2016 year-end balance represents a 189% reserve compared to the Government Financial Officers Association's recommendation for a 16% carryover reserve.

The union questions the township's 2017 General Fund estimates. It observes that the township's \$3.3 million spending budget is nearly twice 2016's spending. The union reports that the \$3.3 million budget includes \$883,000 or 25% of the total, for contingencies. The union claims, however, that even with the township's estimated revenues and spending budget, the General Fund would end 2017 with a \$1.7 million balance -- a 52% carryover reserve.

The union maintains, however, that the township's figures should be adjusted. It indicates that since the township has collected 68% of estimated General Fund revenues at 58% of the year, revenues should be adjusted upward by \$200,000. The union reports that expenditures are 18% of the budget at 58% of the year. The union states:

With the \$200,000 increased revenue and unused \$800,000 in contingency accounts, the 12-31-17 General Fund balance would be \$1 million higher than the \$1,729,000 original projection. This equals a conservative estimated balance of \$2,729,000 which would be a 108% carryover reserve. (\$2,729,000 balance divided into \$2,507,000 in expenditures = 108%) (Union Exhibit 4, page 3)

The union argues that the Fire District Fund has had strong year-end balances. It points out that the balance was \$1.2 million at the end of 2011 and was \$908,000 at the end of 2016.

The union notes that the \$908,000 carryover represents a 31% carryover reserve, which can be used only for Fire Department expenses.

The union suggests that the 2017 year-end balance of the Fire District Fund will increase. It indicates that the 2017 Fire Department budget is 18.8% higher than 2016 expenditures and that the expenditures through 58% of the year are only 41% of the budgeted amount. The union adds that as of July 31, 2017, the balance in the fund is \$1,026,000, which is \$118,000 higher than January 1, 2017.

The union questions the budgeted wage expenditures for the firefighters. It observes that the total wage budget for full-time firefighters for 2017 is \$1,480,400, which is 11.33% higher than 2016.¹ The union states that through 58% of the year 47% of the wage budget has been spent. The union adds that the \$695,000 spent in wages divided by seven months and multiplied by 12 months, results in an annual wage cost of \$1.2 million for 2017, which is less than the \$1.3 million wage expenditure in 2016.

The union contends that the three-year difference in the cost of the union's wage offer and the township's offer is not large. It states that the three-year cost for the township's offer is \$172,731.10 compared to \$256,035.64 for the union's offer, making it only \$83,304.50 more than the township's offer.²

Township Position - The township argues that its revenue sources include inside and voted millage. It points out that its inside millage consists of 1.55 mills for the General Fund and .95 mills for the Road & Bridge Fund and the voted millage includes 5.5 mills for the Fire/EMS Fund, 5.5 mills for the Police Fund, and 2.75 mills for the Road Reconditioning Fund. The

¹ The union states that the 11.33% could be an allowance for wage increases or increased staffing or both.

² The calculations are shown in Union Exhibit 4, Attachment 3)

township notes that “the General Fund 2.7 voted Levy was last collected in 2013 and failed the last time it was on the ballot.” (Township Exhibit 1, page 1) It adds that the Fire/EMS and Police levies will be on the ballot in November 2017 and observes that the Fire/EMS Levy passed in 2012 by only 5.7%.

The township contends that some receipts have declined. It states that the General Fund distributions have fallen from \$265,529 in 2010 to \$151,980 in 2017 and is projected by the County Auditor to fall to \$146,504 in 2018. The township indicates that “while [the Motel Tax] has flourished over the past years, [it] is projected to decrease by 0.73% from the 2016 collections, based on the July 31, 2017 balance” (Ibid.)

The township maintains that its approach to budgeting is “very conservative.” It points out that the \$1.89 million estimate for 2017 revenue is the amount certified by the County Auditor at the beginning of the year. The township notes that “this amount will not be revised until the fund as a whole has collected more than that amount ... [or] after the second half Settlements in late September.” (Ibid.)

The township argues that there is a difference between year-end cash balances and the amount that is available to be appropriated the next year. It observes that it may have commitments that were made in one year but are not paid until the next year. The township reports that “the unencumbered balances at the end of the year, plus new money for that year equals the total available for appropriation.” (Ibid.)

The township contends that it is inappropriate to compare one year’s expenditures with the next year’s appropriations. It states that appropriations are the limit as to what can be spent rather than actual expenditures. The township indicates that comparing the expenditures of prior

years with the appropriations of the current year is “like comparing apples and oranges.”

(Township Exhibit, page 2) The township indicates that of the \$3.31 million appropriation for 2017, \$1.32 million is Regular/Operating expenses; \$1.16 million is for transfers out to other funds; and \$.83 million is for contingencies, leaving a projected balance as of January 1, 2017, of \$1.73 million.

The township maintains that other expenditures “could still be appropriated for 2017.”

(Ibid.) It states that these possible expenditures include:

- \$446,800 Safe Route to Schools from 2014 that ODOT has not paid
- \$375,516 liability from withdrawing from OPEC-HC programs
- \$250,000 Housing Rehab Program
- \$75,000 Emergency Generator for 2610 Columbus Avenue
- \$60,000 Fire Alarm System for 2610 Columbus Avenue
- \$25,000 Sartor Park Paving
- ?????? for pending or threatened Litigation (Township Exhibit 1, page 2)

The township indicates that “these projects total \$1.23 million leaving a balance of \$.5 million, or [a] 21.7% carryover.” (Ibid.)

The township suggests that the GFOA’s recommendation for a carryover of two months of regular operating expenditures does not apply to Perkins Township. It claims that this recommendation “is geared more for municipalities where their cash flow is more consistent on a month-to-month basis ... while [Perkins Township] ... gets most of its funding on a semi-annual or quarterly basis.” (Ibid.) The township adds that “it is our belief that [the township] should have at least 4 months’ worth of carryover (33%) until [it] gets the first half settlements.” (Ibid.)

The township offers a comment regarding transfers out of the General Fund. It points out that a purchase order is not required for transfers. The township notes that “because most transfers depend on the General Fund actually being able to finance the transfer, generally they

are not [made] until the receiving fund actually needs the money (i.e., Cemetery) or until [the township] actually commit[s] to do the project in the other fund.” (Ibid.)

The township expresses concern regarding the renewal of the 5.5 mill Fire Fund Levy, which is on the ballot in November 2017. It states that voters will also be asked to approve a 5.5 mill renewal levy for the Police Fund, a 2.0 mill renewal levy for the Perkins Local School District, and a 0.5 mill additional levy for the EHOVE school district. The township indicates that the two school levies “could adversely affect the success [of its] levies.” (Ibid.) It adds that not all of the people who use Fire/EMS services are residents.

The township argues that the Fire Fund carryover is appropriate. It points out that last year the carryover was \$881,171. The township notes that this “represents 33% of the revenues for the year which is totally in agreement with [its] beliefs.” (Township Exhibit 1, page 3)

The township acknowledges that there are three capital accounts within the Fire/EMS Fund which have money appropriated but no expenditures. It reports, however, that they are the line items used to accumulate funds so large purchases can be done without incurring debt. The township claims that it has renderings for a new fire station but has no location for it.

The township recognizes that other payroll and payroll related items appeared to be well under or within the appropriations. It states that the reason is that it has “not come to terms on the contract with the IAFF and therefore, back pay has not been calculated.” (Ibid.) The township indicates that “this affects 2016 back wages in 2017 wages as well as related costs such as pension and Medicare.” (Ibid.)

The township contends that health insurance costs must be considered. It points out that the current cost of health insurance for the Fire Department is \$21,000 per month or \$250,000

per year. The township notes that the “\$328,000 projected cost was based on the January 1, 2017, census plus one additional employee.” (Ibid.)

ISSUES

The parties submitted ten issues to the Conciliator. For each issue the Conciliator will present the positions of the parties, summarize the arguments they offered in support of their positions, provide his analysis of the issue, and indicate which of the parties’ final offers he is selecting. Where the selected offer differs from the current contract language, the Conciliator will include the text of the prevailing party’s final offer.

1) Layoff of Full-Time Employees - Union Proposal - Article 10 - Layoff and Recall, Section 1/Township Proposal - Article 10 - Layoff and Recall, New Section 2 - The current contract states that if a reduction in the number of personnel becomes necessary, the employee with the least seniority is to be laid off first. The union proposes adding language to Section 1 that requires all part-time employees to be laid off before any full-time employee is laid off and bars the township from hiring a new employee until all laid off firefighters are recalled. The Township proposes a new Section 2 which states that “all part time firefighters shall be laid off and not used to fill manpower requirements either by the Township or by the Union membership if two (2) full-time firefighters have been laid off.”

Union Position - The union argues that its final offer should be selected. It states that it is common for fire departments that employ both full-time and part-time firefighters to require all part-time firefighters to be laid off before a full-time firefighter is laid off. The union indicates that full-time firefighters “have dedicated their working lives to serving the Township

[and] typically have more familiarity and experience with the jurisdiction, the citizens, and the personnel.” (Union Position Statement, page 18) It asserts that “the Township should ... commit to full-time Firefighters’ employment over the part-time Firefighters in the face of a layoff.” (Ibid.)

The union acknowledges that it is rejecting the Factfinder’s recommendation. It points out that he recommended that “part-time employees be laid off before full-time employees are laid off, but also recommended that layoffs be based on seniority within classifications, that laid off officers displace an employee in the lower rank ‘if qualified and physically able,’ and that Class A, B and C Firefighters, and part-time and seasonal Firefighters, all be in the same classification, among other terms.” (Ibid.) The union charges that the Factfinder’s recommendation was “confusing, overly complicated, and ... not proposed by either party.” (Ibid.) It adds that “aspects of [his] proposed terms are in error.” (Ibid.)

Township Position - The township argues that the union’s proposal that it must lay off all part-time firefighters before any full-time firefighter is laid off is impractical. It states that if the November 2017 fire levy fails and its two fire stations have to be staffed exclusively by full-time firefighters, this “is likely to create overtime expenditures to fill manpower needs resulting from vacations or other paid time off being utilized by Union members.” (Township Position Statement, page 3) The township indicates that under its proposal, two full-time firefighters could be laid off and part-time firefighters could be used to meet manpower needs.

Analysis - The Conciliator selects the township’s final offer. First, the Conciliator has no knowledge of layoffs occurring in the past and given the strong financial position of the township, does not believe any are in the offing. Second, to the extent that a layoff could occur,

the township's proposal, which allows it to retain two part-time firefighters, provides the township flexibility to deal with unanticipated situations without incurring significant overtime costs. Third, the record does not contain any evidence to show that the restriction the union seeks exists in its comparable jurisdictions. Finally, many of the part-time firefighters have considerable experience in the Township and should be familiar the Township and its citizens. In fact, testimony indicated that many of the current full-time firefighters were once part-time firefighters in the Township.

Award - The Conciliator awards the township's final offer. It states:

All part time fire fighters shall be laid off and not used fill manpower requirements either by the Employer or by the Union membership if two (2) full time fire fighters have been laid off.

2) Personal Days - Union Proposal - Article 13 - Personal Days, Section 1/
Township Proposal - New Article 13 - Personal Days and Scheduling, Section 1 -

The current contract grants employees four personal days. The parties agree that employees will continue to receive four personal days in 2017. The township demands the elimination of the four personal days beginning in 2018. The union offers to reduce the number of personal days to two days beginning the same year.

Township Position - The township argues that its final offer should be adopted. It points out that in 2018, it will be using Kelly Days for the first time so that firefighters do not exceed 144 hours in a 19-day work period. The township notes that this means that a firefighter will be assured of getting no less than four Kelly Days each year and that some firefighters may

get as many as seven Kelly Days. It adds that “a member will not have any reduction in pay for a Kelly Day taken in a 19-day work period.” (Township Position Statement, page 6)

Union Position - The union rejects the township’s argument that personal days should be eliminated because firefighters are “gaining” up to seven days off. It points out that firefighters are not “gaining” more time off rather “the Kelly Days ... are the result of the township agreeing to work hours that merely comply with maximum work hours allowable under FLSA.” (Union Position Statement, page 19) The union emphasizes that the fact that “the Township has agreed to adhere to federal law in regard to Firefighters’ work hours does not warrant taking away 96 hours of paid benefit leave from the Firefighters.” (Ibid.)

The union contends that the data for comparable jurisdictions does not support the elimination of personal days. It shows that in 12 comparable fire departments, firefighters have an average of 705 hours off, including vacation, holidays, personal days, and Kelly Days. The city’s proposal to eliminate Personal Days would reduce firefighters’ time off by 96 hours and leave them with an average of 571 hours off.³

The union recognizes that the Factfinder recommended the elimination of personal days beginning in 2018. It claims, however, that the Factfinder was wrong when he indicated that personal days would create coverage problems because he failed to recognize that there is a limit on the number of firefighters who can be off on paid leave. The union adds that “at no point at fact-finding did the Township demonstrate (or even argue) retaining four personal days, would create ‘scheduling and coverage problems.’ ” (Union Position Statement, page 19)

³ The union’s 12 comparable jurisdictions are Avon, Avon Lake, Bellevue, Elyria, Fremont, Huron, Lorain, Margaretta Township, North Ridgeville, Norwalk, Sandusky, and Sheffield Lake. Perkins has a smaller population and fewer firefighters than the average for the union’s comparable jurisdictions. (Union Exhibit 7, page 1) It has a higher median income and more total runs than the average for the other jurisdictions. (Ibid., page 2)

The union maintains that while there was no basis for the Factfinder’s recommendation to eliminate personal days, it has agreed to reduce the number of days from four to two “as an attempt in good faith to compromise.” (Union Position Statement, page 20)

Analysis - The Conciliator awards the union’s final offer. First, the union is correct that the four to seven Kelly Days that the firefighters will receive is a function of the reduction in the workweek and should not be considered equivalent to the personal days the firefighters have received.

Second, the data the union supplied for the comparable jurisdictions supports its demand to retain to personal days. The data is as follows:

	Average <u>Total Hours Off</u>	Average <u>Total Shifts Off</u>
Comparables	705	29.4
Township Offer	571	23.8
Union Offer (Union Exhibit 9)	626	26.1

Not only are average total hours off and average total shifts off in Perkins Township less than the averages for the union’s 12 comparable jurisdictions, but Perkins Township offers less hours and fewer shifts off than all but Huron and Margaretta Township. (Ibid.)

Finally, as the union pointed out, the union’s demand will not produce manning problems. The contract restricts the number of employees off on paid leave. This restriction protects the public interest and the safety of firefighters.

Award - The Conciliator awards the union’s final offer. It states:

Each employee shall be granted four (4) days off duty with pay on January 1st of each year of the contract, except for newly hired employees, who shall be entitled to one (1) day off each quarter during the calendar year when first hired. A personal day shall be either twenty-four (24) hours for 24-hour shift employees or eight (8) hours for 40-hour week employees. The personal days may be used for emergencies within

the immediate family or for personal reasons of the employee. Effective January 1, 2018, employees working twenty-four (24) hour shifts shall be granted two (2) days off duty with pay on January 1st of each year of the contract, except for newly hired employees working twenty-four (24) hour shifts, who shall be entitled to twelve (12) hours off each quarter during the calendar year when first hired.

3) Limit on the Number on Leave - Union Proposal - New Article -

Scheduling Leave, Section 3/Township Proposal - Article 13 - Personal Days and

Scheduling Leave, Section 4 - Article 13, Section 3, of the current contract states that except

for emergencies, “no more than two (2) employees per shift will be allowed off at any time, including personal days, comp time, educational leave or vacation time.” The township seeks to add Kelly Days and sick leave to the leave that counts against the two-man off limit, allow the chief to limit the number on scheduled leave to one employee, and prohibit more than two 24-hour employees from being on scheduled leave at any time. The union proposes to allow no more than two employees to be off on scheduled leave per shift. It agrees with the township’s proposal to add Kelly Days to the list of days counting against the number who can be off.

Township Position - The township argues that its final offer should be selected. It states that each firefighter will be granted between four and seven Kelly Days each calendar year and that “consistent with long-standing practices, the Chief or his designee is not required to permit more than one employee at a time to be off on scheduled paid leave, whether vacations, Kelly Days or otherwise.” (Township Position Statement, page 6)

Union Position - The union argues that its final offer should be awarded. It states that the current contract language, which allows two employees to be off on personal leave, comp time, educational leave, or vacation, should be retained. The union indicates that while it “does

not agree that Kelly Days are “paid leave” in the sense of paid benefit leave, [it] nonetheless has included Kelly Days among the leave counting towards the two-off limitation in its final offer.”

(Union Position Statement, page 20)

The union contends that it is “adamantly opposed [to] including sick leave among the leave counting against the two-off limitation.” (Union Position Statement, pages 20-21) It states:

Terms should not be added to the CBA allowing the Township to deny sick leave merely because there are already two employees off on the shift. Nor should terms be added that would potentially result in another employee’s previously scheduled leave being canceled because a co-worker’s child was ill. The undersigned is unaware of any comparable data in support of the Township’s proposed limitation on sick leave. Nowhere in the Fact-Finder’s report does he recognize the problems caused by including sick leave among the leaves that are limited to two per shift. This is an egregious oversight that requires correction. (Union Position Statement, page 21)

Analysis - The Conciliator selects the union’s final offer. First, the current contract allows two employees per shift to be off on leave and counts employees on personal days, comp time, education leave, and vacation toward the limit. The Conciliator recognizes that the reduction of the work week requires the use of Kelly Days, which means more time off, but the union’s offer counts Kelly Days toward the limit on the number of employees who can be off on a shift. Second, the township did not provide any testimony or evidence regarding problems or difficulties to justify the changing the current contract’s limit on the number of employees who can be off on leave. Finally, the Conciliator cannot accept the township proposal to add sick days to the leave that counts towards the limit on the number of employees off. The concerns expressed by the union regarding the denial of a sick day to an employee who is ill because other employees are on leave cannot be ignored. The purpose of sick leave is to allow an employee who is unable to work time to recover.

Award - The Conciliator awards the union’s final offer. It states:

No more than two (2) employees per shift will be allowed to be on scheduled leave at any time, including vacations, Kelly Days, personal days, compensatory time, and approved educational leave.

4) Eligibility for Overtime - Union Proposal - Article 19 - Hours of Work

and Overtime, Section 7/Township Proposal - Article 19, Sections 2 & 3 - The current practice is to count all hours in active pay status, including sick leave, toward eligibility for overtime. The township wishes to limit the hours that count toward overtime eligibility to hours actively worked except for educational leave granted for mandatory schooling and overtime specifically provided for by other contract provisions. This would mean that vacation, personal days, comp time, and sick leave would not count toward overtime eligibility. The union proposes that hours worked for purposes of overtime pay “shall include all hours an employee is in active pay status, excluding sick leave and hours already eligible for overtime pay, including holdover, callback overtime, tone outs, or court appearance overtime, and Kelly Days.”

Township Position - The township argues that its final offer should be awarded. It states that the change to a 53-hour work week necessitates its position. The township indicates that “overtime is to be paid at the 53 hour FLSA rate for hours actually worked by an employee in excess of 144 hours over a 19 day period. (Township Position Statement, page 10) It claims that “this is in accordance with FLSA provisions, which do not include paid time off in the calculation of whether an employee actually worked more than 144 hours and is thus entitled to overtime.” (Ibid.)

The township contends that the union’s comparable jurisdictions support the township’s position. It states that nothing in the other jurisdictions’ contracts indicate that vacation, comp

time, or personal leave count toward “all hours worked.” The township indicates that the contracts in Avon Lake, Lorain, Margarita Township and Sandusky refer to “all hours worked.”

Union Position - The union argues that its final offer should be adopted. It points out that at the present time, all hours in active pay status count towards eligibility for overtime. The union complains that the township’s proposal would mean that in any week an employee uses vacation leave, personal leave, compensatory time, or sick leave and is called in to work on his scheduled day off, the employee would work his shift at the regular rate.

The union contends that its offer is consistent with the Factfinder’s intent. It states that he indicated that he did not want employees to lose overtime. The union acknowledges that the Factfinder recommended the township’s position but emphasizes that he did so only because he erroneously concluded that employees would not lose overtime under the township’s proposal.

The union maintains that there “is no basis to change the long-standing terms that overtime is payable whenever an employee works beyond their regular schedule, regardless of whether an employee took paid leave during that period.” (Union Position Statement, page 27) It states, however, “as a final offer towards compromise, [it] would agree to exclude sick leave from the hours eligible for overtime compensation.” (Ibid.)

The union suggests that contract provisions in the majority of its 12 comparable jurisdictions support its position. It reports that in Avon “the employee [who] works and is in active pay status for more than 206.8 hours in a twenty-eight (28) day work period ... shall be compensated for all such hours worked or in paid status in excess of the 206.8 hours at time and one-half (1½) his regular pay;” in Avon Lake “all hours worked in excess of the normal tour of duty ... shall be considered overtime;” in Bellevue “all hours worked exceeding the regularly

scheduled hours shall be paid at time and one half (1½);” in Huron “all hours worked in excess of regularly scheduled shifts shall be at the call-in overtime rate;” in Lorain “paid sick leave, paid vacation, paid holiday, and any other approved paid leave time shall be considered time worked;” in Margaretta “all hours worked in excess of a regularly scheduled shift shall be at the call in overtime rate;” in North Ridgeville “overtime payment shall be made for hours worked in excess of the employee’s normally scheduled workday or work week;” in Sandusky “hours in excess of [an employee’s] normal workday or normal workweek ... shall be compensated at one and one-half (1-½) times the regularly hourly rate of pay;” and in Sheffield Lake “all employees ... shall be paid overtime for all hours worked in excess of the official tour of duty.” (Union Exhibit 13)

Analysis - The Conciliator selects the union’s final offer. First, the township’s proposal represents a significant change in the current practice. At the present time, all time in active pay status counts towards eligibility for overtime. The township’s proposal would remove vacation, personal days, comp time, and sick leave. The township has not made a convincing case for the change it seeks.

Second, if the township’s proposal were to be selected, firefighters would experience a loss of overtime. Many of them have come to rely on the extra money to meet their expenses. It is important to note that while the Factfinder recommended the township’s proposal, it was based on his belief that it would not result in a loss of overtime.

Finally, the union’s proposal to include vacation, personal days, and comp time is not an unusual arrangement in firefighter contracts. The union’s offer modifies the current practice by excluding sick leave, as proposed by the township.

Award -The Conciliator awards the union’s final offer. It states:

Overtime (holdover) shall start after an employee has worked his required twenty-four (24) hour shift if a 53-hour employee, or eight (8) hour shift if a 40-hour employee. Holdover overtime will be figured in fifteen (15) minute intervals (one-quarter of an hour), with a minimum of one-quarter (0.25) hour.

Employees working twenty-four (24) hour shifts shall be paid overtime for hours worked in excess of one hundred forty four (144) hours over a nineteen (19) day period. Employees working forty (40) hour work weeks shall be paid overtime for hours worked in in excess of forty (40) hours over the work week. “Hours worked” eligible for overtime pay shall include all hours an employee is in active pay status, with the exclusion of sick leave, hours already eligible for overtime pay (i.e., Holdover or call back overtime, tone outs, or court appearance overtime), and Kelly Days.

5) Scheduling Kelly Days - Union Proposal - Article 19 - Hours of Work and Overtime, Section 2/Township Proposal - Article 19 - Hours of Work and Overtime, Section 3 - The parties have agreed to a 53-hour workweek with a 19-day, 144-hour work period with a workday that begins at 0700 and ends at 0700 the next day. The union proposes that “an Employee ... receive a “Kelly Day” of leave each work period in which his regularly scheduled hours would exceed the 144-hour, 19-day work period.” The township proposes that 14 days before the beginning of each 19-day work period, the chief will determine the employees who need to take a Kelly Day and they will be assigned a Kelly Day based on seniority; that in 2018 and 2019 employees are entitled to a minimum of four Kelly Days per year; and that the chief can assign Kelly Days to an employee during November and December of each year if the employee has not received a minimum of four Kelly Days that year.

Township Position - The township argues that its final offer should be awarded. It points out that under its proposal the chief or his designee would determine, 14 days prior to the

start of each 19-day work period, which employees would have to take a Kelly Day in order to avoid overtime. The township notes that once that occurred employees would choose which day to take off based on their seniority.

Union Position - The union argues that its final offer should be selected. It states that its proposal simply gives employees a Kelly Day in any 19-day work period where their regularly scheduled hours would exceed 144. The union indicates that in those work periods, employees would be able to select their Kelly Days with the approval of the chief.

The union contends that its proposal for selecting Kelly Days is consistent with the Factfinder's initial recommendation but does not include the contradictory terms he also recommended. It states that the Factfinder recommended that employees select Kelly Days with the approval of the chief but also recommended that the chief assigned Kelly Days "as needed to avoid occurring overtime." The union indicates that this contradiction cannot be put in the contract. It adds that in any event, "each year, when leave is scheduled, it will be clear which work periods the employees must schedule a Kelly Day." (Union Position Statement, page 26)

Analysis - The Conciliator awards the township's final offer. First, while there may be little difference between the parties' proposals and there are advantages and disadvantages with both of the proposals, the township's offer is more reasonable than the union's offer. Second, the Conciliator acknowledges the union's concern regarding the chief assigning Kelly Days in November and December to be sure that firefighters have had at least four Kelly Days. However, this should not come into play because firefighters have the opportunity to select Kelly Days by seniority during any work where they were entitled to a Kelly Day. Finally, as the parties become

familiar with the new work schedule, they can make whatever adjustments are called for in response to the new schedule.

Award - The Conciliator awards the township's final offer. It is as follows:

A. Fourteen (14) days in advance of the commencement of each 19 day scheduling period, the Chief or his designee shall determine which employees per shift are to take a Kelly Day as needed to avoid incurring overtime for hours actually worked by the employees during that 19 day period. The employees thus assigned to take a Kelly Day during each 19 day period shall determine among themselves based on seniority the day on which their Kelly Day shall be taken.

B. In years 2018 and 2019 under this contract, a minimum of four (4) and up to seven (7) Kelly Days per employee per year may be assigned. No additional payment shall be made to an employee who is assigned fewer than seven (7) Kelly Days in the calendar year.

C. The Chief or his designee shall be permitted to assign a Kelly Day to an employee during November and December of each year to assure that the employee has received the minimum of four (4) Kelly Days in the calendar year 2018 in 2019.

D. A Kelly Day shall be taken only as a twenty-four (24) hour day.

6) Wellness Credits - Union Proposal - Article 20 - Insurance , Section

2/Township Proposal - Article 20 - Insurance, Sections 2 & 3 - The current contract established a Wellness Program. Under the program an employee could earn wellness credits to reduce the \$2500/\$5000 deductible under the township's high deductible insurance program. In 2016, depending on the number of credits the employee and the spouse received, an employee could have reduced the deductible to \$500/\$1000. However, during the current negotiations, the Township Trustees, acting through the Health Insurance Committee, eliminated the Wellness Program so that the deductible for 2017 rose from \$500/\$1000 to \$2500/\$5000. The union

responded by filing a grievance seeking the restoration of the Wellness Program. The grievance is being held in abeyance pending the completion of contract negotiations.

At conciliation, the union's final offer provides two options for the township. The first option allows the township to restore the wellness program with wellness credits up to \$4000 for an employee and a spouse. The second option permits the township to pay a covered employee \$1000 and the same amount to a covered spouse. The union's offer of these two options for the township was recommended by the Factfinder.

The township proposes a "Deductible Reduction Program." Under the program, in 2017 a covered employee and covered spouse can earn credits of \$400 for each of five segments of the program with credits for their children equal to the employee's credit, which would reduce the deductibles to \$500/\$1000. The credits would be reduced to \$350 in 2018, and \$300 in 2019 so that the deductibles would increase to \$750/\$1500 in 2018 and \$1000/\$2000 in 2019.

Under the township's proposal, it would keep a record of "Deductible Reduction Credits." This requires employees to submit their Explanation of Benefits as proof of the effective deductible amount and proof that their deductible amount was paid. Once an employee submits an EOB and proof of payment, the township is required to reimburse the employee within two weeks for the deductible amount paid by the employee.

The township's offer specifies how the number of "Deductible Reduction Credits" will be determined. In 2017, an employee and covered spouse will receive the number of credits they earned in 2016. Employees who were not participants in the insurance program in 2016, "will be granted "Deduction Reduction Credits" based on the results of their annual physical exam and blood tests and BMI determination through Firelands Corporate Health in November or

December 2017. Spouses who were not in the insurance program in 2016 can get credits by undergoing the tests at the same location at their own expense. “Deductible Reduction Credits” for 2018 and 2019 for covered employees, spouses, and children, will be based on their Firelands Corporate Health tests in December 2018 and 2019.

Township Position - The township argues that its final offer should be selected. It states that the 2013-2016 collective bargaining agreement allowed employees to earn wellness credits that could be used to reduce the \$2500/\$5000 deductible to as little as \$500/\$1000. The township indicates, however, that “the Township’s experience seems to demonstrate that these credits were ‘wellness’ related in name only, and that there was little if any improvement in the wellness of insured employees by providing those credits.” (Township Position Statement, page 13) It observes that as a result, it proposes that whatever “wellness credits” were earned by an employee and if applicable, his spouse, in 2016, would be granted to them in 2017 and that for 2018 and 2019 the results of annual physical examinations and blood testing would govern the amount of deductible reduction credits an employee received.

Union Position - The union argues that its final offer should be selected. It points out that wellness credits were adopted when the township instituted a high deductible health insurance plan. The union notes, however, that the township unilaterally eliminated the wellness credits for 2017, resulting in deductible costs of \$2500/\$5000, which the firefighters cannot afford.

The union contends that while it seeks the full restoration of the wellness credits, its final offer is a compromise based on the Factfinder’s recommendation. It observes that he recommended that the township have the option of continuing the wellness credits or paying

each employee and spouse a lump sum equal to one half of what they could have earned through the wellness credits. The union notes that the Factfinder estimated that his compromise would save the township \$42,000 over the life of the agreement. (Union Position Statement, page 29)

Analysis - The Conciliator must award the union's final offer. First, the township's proposal is complex and likely to cause problems for the township employees responsible for administering the program, especially the Deductible Reduction Credits. For example, in many instances, an employee may challenge a denial of benefits by an insurance company. The resolution of such disputes can take many months.

Second, the Conciliator is concerned about the privacy rights of employees with respect to their medical information. Being required to submit Explanation of Benefits to the township would require an employee to share personal medical information and could result in an employee's health issues becoming widely known in the township. Finally, the Conciliator notes that the union's final offer was recommended by the Factfinder.

Award - The Conciliator awards the union's final offer. It is as follows:

Section 2. Under the policy to be in effect as of January 1, 2017, the Employer will pay 100% of the premiums for 2017, including \$56,000 paid to obtain lower premiums for 2017, and will establish health savings accounts for any employees who wish to contribute to such accounts at no cost to employees. For 2017 only, the Employer will contribute \$500 into an HSA account per employee for those employees electing to have an HSA account and having single coverage and an additional \$500 for employees who also have coverage for a spouse, dependents or family coverage. The deductible for each employee will be \$2,500 (single)/\$5,000 (family).

Each employee (and covered spouses) may earn credits for each of the five (5) segments of the Wellness Program The Wellness Credits would be \$400 ~~\$460~~ for each of the five segments successfully completed each year.

The Township, however, may determine not to offer a Wellness Program. For each year a Wellness Program equivalent in terms of services provided and potential

credits earned is not offered, the Township shall pay on the first pay period which commences in said calendar year the sum of one thousand dollars (\$1,000) to each employee and covered spouse as of the end of said pay period.

7) Premium Contributions - Union Position - Article 20 - Insurance, Sections

1, 2, 3, 4, & 5/Township Position - Article 20, Sections 1 & 5 - The current contract requires employees to pay 15% of the premium for health insurance. The union proposes that the employer pay 100% of the premiums for 2017. Effective January 1, 2018, it offers a formula under which health care costs exceeding \$656,000 in 2018 and \$660,00 in 2019 will be split between the township and employees where an individual's portion of the cost is determined by the number of family members (units) with insurance coverage. The township proposes that employees pay 15% of the premium cost for the term of the contract.

Township Position - The township argues that its final offer should be awarded. It points out that employees have paid 15% of their health insurance premiums since 2010 and its offer continues this practice. The township claims that the firefighters have the same health insurance coverage as all of the township's 57 insured employees.

Union Position - The union argues that its final offer should be selected. It points out that at fact-finding the township offered to pay the entire health insurance premiums in 2017 provided employees paid any increase in insurance costs exceeding \$650,000 in 2018 and \$600,000 in 2019. The union notes that an employee's share of the costs exceeding the caps would be based on the number of "units," i.e., the number of individuals in an employee's family. It adds that under the township's proposal, the deductible would remain at \$2500/\$5000 with no wellness credits.

The union contends that the Factfinder “aimed at compromise.” It states that he recommended the township’s contribution proposal, but recommended that “costs exceeding the township’s proposed caps be split 50/50 between the Township and employees and ... that at least one half of the wellness credit fund continued to be paid to employees.” (Union Position Statement, page 30) The union claims that “in order to settle this prolonged dispute, [it] is willing to accept the Factfinder’s proposed compromise in regard to employee contributions.” (Ibid.)

Analysis - The Conciliator selects the union’s final offer. While he believes that he could have devised a better resolution to the health insurance issues, he must select the offer of one party or the other without modification. The union’s final offer is based on the Factfinder’s recommendation, which was accepted by the township as part of the Factfinder’s report.

Award - The Conciliator awards the union’s final offer. It is as follows:

Section 1. The Employer will maintain health and hospitalization insurance for each employee electing coverage. Premiums shall be borne as set forth in this Article.

Section 2. Under the policy to be in effect as of January 1, 2017, the Employer will pay 100% of the premiums for 2017, including \$56,000 paid to obtain lower premiums for 2017, and will establish health savings accounts for any employees who wish to contribute to such accounts at no cost to employees. For 2017 only, the Employer will contribute \$500 into an HSA account per employee for those employees electing to have an HSA account and having single coverage and an additional \$500 for employees who also have coverage for a spouse, dependents or family coverage. The deductible for each employee will be \$2,500 (single)/\$5,000 (family).

Each employee (and covered spouses) may earn credits for each of the five (5) segments of the Wellness Program. The Wellness Credits would be \$400 for each of the five segments successfully completed each year.

The Township, however, may determine not to offer a Wellness Program. For each year a Wellness Program equivalent in terms of services provided and potential credits earned is not offered, the Township shall pay on the first pay period which commences in said calendar year the sum of one thousand dollars (\$1,000) to each employee and covered spouse as of the end of said pay period.

Section 3. An “insurance year” shall run from January 1 to December 31. The Employer’s contributions to healthcare expenses will be capped at \$650,000 in 2018, and \$660,000 in 2019. If the premiums paid by the Employer in 2017 are less than \$621,000, the 2017 savings from that amount will be added to the \$650,000 cap for 2018. If the premiums paid by the Employer in 2018 are less than \$650,000, plus the savings added to the cap for 2017, the 2018 savings will be added to the \$660,000 cap for 2019. For example, if the amount paid for premiums in 2017 is \$611,000 not counting the \$56,000 and the amount spent in 2018 is \$640,000, the cap for 2019 would be \$680,000. (\$10,000 + \$10,000 + \$660,000)

Section 4. If the cap amount for 2018 or 2019, plus any savings referred to in Section 3, is insufficient to pay 100% of the projected total of premiums for the year, any premium owed after deducting the cap from the annual premium amount will be divided among participating employees and the Employer based upon the following formula: a single employee participant will be considered as representing a unit of 1.0, an employee and spouse participant will constitute 2.5 units, an employee and child(ren) participant will equal 2.0 units, and an employee with family coverage will equal 3.0 units and the Employer will be considered to be equal to the total number of units of the employees, spouses and children. The excess premium over the amount of the Employer’s cap will then be allocated among participating employees and the Employer on the applicable per unit basis with deductions made from each employee’s paycheck for his or her share of the premium.

Section 5. During the second and third insurance years of this Agreement, each covered employee’s contribution per pay, if any, will be determined and provided to them as early as reasonably possible by the Employer.

8) Reopener on Premium Contributions - Union Proposal - Article 20 -

Insurance, Section 8/Township Proposal - None - The current contract does not include any reopener to negotiate employee premium contributions. At fact-finding, the township proposed that if premium costs increased by 20% in 2019, it could reopen the insurance article. The Factfinder rejected the township's demand and instead recommended that the entire collective bargaining agreement be reopened if premiums exceeded \$780,000.

At conciliation, the parties took different positions. The union proposed that if health insurance premium costs for 2019 exceeded \$813,000 (20% more than the premium costs in

2017), either party could reopen negotiations to determine employee premium contributions and if the parties failed to reach agreement, the dispute would be resolved through the dispute resolution procedure in Chapter 4117 of the Ohio Revised Code. The township proposed no reopener.

Union Position - The union argues that its final offer should be selected. It points out that while it is opposed to reopening the entire contract, as was proposed by the Factfinder, it is offering a reopener for the sole purpose of negotiating premium contributions for 2019. The union notes that the “trigger” for the reopener should be \$813,000, which is 20% above the actual premium cost in 2017, rather than the arbitrary figure recommended by the Factfinder. It adds that it “proposes this reopener with the understanding that the Insurance Committee will not be able to implement changes in the employees’ insurance costs as recommended by the Factfinder.” (Union Position Statement, page 34)

Township Position - The township offered no proposal. It states that the Factfinder’s health insurance proposal under certain circumstances could have made the entire contract a two-year agreement. The township indicated that “having already been in negotiations for more than one year for the current contract, the Township does not wish to find itself in a position where there may only be one remaining year on the current contract under negotiation and believes that the proposed insurance provisions can be readily administered by it.” (Township Position Statement, page 14)

Analysis - The Conciliator awards the township’s offer of no reopener for premium contributions in 2019. He understands the township’s concern regarding extended negotiations for a successor agreement for the one that expired on September 30, 2016. The Conciliator also

notes that the parties brought a large number of issues to both fact-finding and conciliation. In any event, the parties always have the option to re-open negotiations by mutual agreement should the circumstances warrant it.

Award - The Conciliator awards the township's final offer of no reopener to negotiate health insurance premiums for 2019.

9) Healthcare Insurance Committee - Union Proposal - Article 20 - Insurance, Section 8/Township Proposal - Article 20 - Insurance, Section 4 - The current contract provides that in any year in which total health insurance premiums increase by more than 5%, the township is not required to renew the current coverage for the next year and the Health Insurance Committee, which is composed of "one (1) representative from the Fire, Police, Highway, and administrative departments," is to negotiate with the Township Trustees regarding "possible actions to be taken." The committee can make recommendations to the Trustees regarding "an appropriate distribution of the excess premium costs and amounts to be deducted from employee wages which recommendation will be binding on all Township employees, changes in the level of insurance or conditions of the policy, whether to obtain other insurance bids, the carrier to provide coverage, and oversight of a Wellness Committee and its policies, which shall include at a minimum testing for glucose, BMI or body fat percentage, blood pressure, LDL cholesterol, and smoking." The Trustees can implement any changes to the "health insurance coverage" but must retain the 85%/15% premium payment ratio.

The parties agree on a number of points. The points of agreement include that the trigger for negotiations regarding health insurance premiums should be increased to 10%; that the

composition of the Health Insurance Committee should remain the same; that the Health Insurance Committee and the Township Trustees will negotiate possible actions to be taken; that the Trustees can change carriers; and that employees will pay 15% of the premiums.

The township and the union, however, offers differ on the authority of the Health Insurance Committee and the Trustees. The union's proposal requires the Health Insurance Committee to "negotiate [with the Trustees] except that there shall be no increase in the deductibles, no change with respect to the persons covered, no change in the Wellness Credits/payment in lieu of Credits, and no change in the Employer percentage of contribution toward said persons."

The township's proposal also requires the Health Insurance Committee to negotiate with the trustees. It allows the committee to recommend to the Trustees "changes in the level of insurance or conditions of the policy, whether to obtain other insurance bids, the carrier to provide coverage, and oversight of a Deductible Reduction Committee and its policies." The township's proposal permits the Trustees to "implement any changes to health insurance coverage" provided it maintains the 85%/15% premium payment ratio.

Union Position - The union argues that its final offer should be awarded. It states that it adopted the Factfinder's recommended language that prohibited the Health Insurance Committee from increasing employee deductible costs or changing persons eligible for coverage. The union indicates that it added a term preventing the committee from unilaterally changing the wellness credits or payments in lieu of wellness credits. It complains that "the Committee, dominated by management, cannot continue to be used as a vehicle for the Township to unilaterally heap insurance costs onto bargaining unit members." (Union Position Statement, page 35)

Township Position - The township argues that its final offer should be selected.

Analysis - The Conciliator selects the union's final offer. The township's proposal gives the trustees the authority to change "the level of insurance or conditions of the policy" i.e., change the plan design. While the township proposal requires it to retain the 15% employee premium contribution, this is not sufficient to protect employees from unreasonable increases in their health care costs due to changes in plan design.

Award - The Conciliator awards the union's final offer. It is as follows;

Section 8. In any year in which total premiums would increase by more than ten percent (10%) over the premiums for the prior insurance year, the Employer shall not be required to renew the then current coverage for the next insurance year. Under those circumstances, the Township Health Insurance Committee comprised of one (1) representative from the Fire, Police, Highway, and administrative departments and the three (3) Township Trustees shall negotiate possible actions to be taken to change the carrier and/or coverage, except that there shall be no increase in the deductibles, no change with respect to the persons covered, no change in the Wellness Credits/payment in lieu of Credits, and no change in the Employer percentage of contribution towards said persons. The determination of the Committee, acting within its jurisdiction, shall be binding on the employees. Nothing herein shall prevent the Employer from changing carriers if satisfactory coverage is available at a lower price.

10) Article 22 - Wages, Section 1 & Appendix A - The current contract has a wage schedule with a Class C-2 annual rate of \$35,250.83, which increases in three steps to the Class A rate of \$48,355.06. The rates for Lieutenant/Inspector, Captain, and Assistant Chief are each 10% more than the rate for the immediately lower rank.

The union proposes that effective October 1, 2016, \$2000 be added to the 2015-2016 Class A annual wage and that amount then be increased by 2%; that the annual wage for Lieutenant/Inspectors, Captains, and Assistant Chief be 10% above the previous rank; and that the annual wage for Class C-2, C-1, and B reflect the same percentage of the Class A wage as in

the previous collective bargaining agreement, i.e., the Class B rate is 90.0% of the Class A rate, the Class C-1 rate is 81.0% of the Class A rate , and the Class C-2 rate is 72.9% of the Class A rate. It then seeks to increase the Class A rate by 2.5% in 2018 and 3.0% in 2019 and to maintain the existing differentials for the other ranks.

The township offers an alternative wage schedule. It proposes that the annual wage for each classification in the 2016-2017 agreement be calculated by increasing each of the 2015-2016 annual wages by \$1000 and then adding 2% to that amount. The township offers to increase the annual wage by \$500 in the second year and then to increase that amount by 2.5% and in the third year, to add \$500 to the previous year's annual wage and then increase that amount by 3%.⁴

Township Position - The township argues that it is proposing a generous increase in wages. It points out that its proposal adds \$1000 to wages in the first year of the contract, and \$500 in the second and third years and then increases each wage year by 2% in the first year, 2.5% in the second year, and 3.0% in the third year. The township notes that this is in addition to the \$1000 bonus received by firefighters who are paramedics.

The township contends that it is concerned about the possible rejection of the fire levy in November 2017 when the voters will be asked to approve a police levy as well as the fire levy. It suggests that prospects for the passage of the fire levy may be reduced by the passage of a school levy in May 2017. The Township adds that its wage offer reflects its recognition of the importance of its well-trained firefighters and police officers.

⁴ The township's wage proposal does not maintain the present rank differentials.

Union Position - The union argues that the firefighters are grossly underpaid. It points out that the annual compensation, including base salary, longevity, EMT pay, and uniform allowance, for a 15-year firefighter in Perkins is more than \$10,000 less than the average total compensation in its comparable communities. (Union Position Statement, page 36) The union notes that when employee insurance premium contributions are factored in, the Perkins firefighters annually earn \$11,000 less than their peers. (Ibid.) It adds that because the Perkins firefighters work more hours than its comparable jurisdictions, their hourly rate is \$4.76 per hour less than the average hourly rate, or 78% of the average rate. (Union Exhibit 24)

The union contends that the Perkins Township Fire Department is extremely busy. It observes that among the comparable departments only Elyria, North Ridgeville, and Sandusky respond to more calls than Perkins. It reports that each of these cities are significantly larger, have more firefighters, and pay more than Perkins. (Ibid.)

The union maintains that the township's agreement with the FOP supports its position. It points out that the Factfinder found that the township settlement with the FOP did not set a pattern for the IAFF. The union notes, however, that he recommended the wage increases agreed to by the FOP -- a \$2000 base increase followed by wage increases of 2%, 2.5%, and 3% -- because he felt that "it is important that bargaining units have a perception of parity." (Ibid.)

The union argues that the Conciliator should select its final offer for wages because it incorporates 10% rank differentials. It states that the township's agreement with the FOP incorporates the 10% rank differentials and the same differentials have historically been part of the township's agreement with the firefighters. The union indicates that "if 'parity' between the

IAFF and FOP is what the Fact-Finder intended, the IAFF unit should receive the same rank differential as the FOP, just as [it] has received in the past.” (Ibid.)

The union asserts that its wage offer of the Factfinder’s recommendation is contingent on the acceptance of his recommendations on wellness credits, premium contributions, and limits on the Insurance Committee’s ability to increase insurance costs. It claims that “without those terms being awarded, the Township’s insurance proposal will effectively negate any wage increase to the IAFF, leaving the Perkins Township Firefighters even worse off in net pay and create an even larger disparity with firefighters in comparable jurisdictions.” (Union Position Statement, page 37)

Analysis - The Conciliator awards the union’s final offer. First, as discussed above, the evidence indicates that the township has the ability to pay the union’s wage demands.

Second, the wages paid by comparable jurisdictions support the union’s demand. In 2016 the wages and total compensation for a 15-year firefighter in the union’s 12 comparable jurisdictions and the parties’ offers are as follows:

	<u>Base Salary</u>	<u>Total Compensation</u>
Comparable Jurisdictions	\$58,308	\$61,667
Township’s Offer	50,342	52,637
Union’s Offer (Union Exhibit 25)	51,362	53,657

Even if the union’s final offer is selected, the firefighters will remain well below the firefighters in the comparable jurisdictions.⁵

⁵ If the union’s final offer is selected, Perkins would rank 11 of 13 in both base salary and total compensation among the comparable jurisdictions. (Union Exhibit 25)

The Conciliator discounts the township's suggestion that the union's comparable jurisdictions are inappropriate. While cities have different revenue sources than a township, there is some merit to the union's claim that it is the amount of revenue rather than the source of the revenue that is important. In addition, the township offered no alternative comparable jurisdictions or convincing reasons why the jurisdictions offered by the union were not appropriate.

Third, support for the union's offer is even stronger when insurance premiums are considered alongside total compensation. For the 12 comparable jurisdictions, the average annual total compensation after deducting for insurance premiums is \$59,346 compared to \$47,506 in Perkins, which means it ranks last (Union Exhibit 26) While comparisons such as this are subject to many qualifications, the township did not question the union's claim.

Fourth, the township's settlement with the FOP strongly supports the union's wage offer. The FOP's contract includes a \$2000 increase in the annual wage in 2017 and maintains the 10% rank differentials. If the township's offer were selected, there would not be parity between firefighters and police officers.

Fifth, the union's final offer is consistent with increases that have been negotiated in Ohio and in the comparable jurisdictions. Data from the State Employment Relations Board indicates that in 2016 township employees in Ohio received 2.24% wage increases and firefighters 2.34% increases while the firefighters in Perkins received a 1.50% increase. (Union Exhibit 27) In the union's comparable jurisdictions, firefighters received an average increase of 2.13% in 2016 and in the 10 jurisdictions that have agreed upon wages for 2017, they will receive an average increase of 2.45%. (Union Exhibit 28)

Finally, while the Conciliator is not bound by the Factfinder's recommendation, it should be noted that his award is what the union submitted as its final offer.

Award - The Conciliator awards the union's final offer. It is as follows:

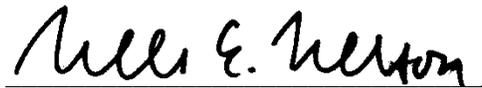
Appendix A

	10/1/16 - 9/30/17 2.00%	10/1/17 - 9/30/18 2.50%	10/1/18 - 9/30/19 3.00%
Assistant Chief			
Annual Rate	\$68,363.04	\$70,072.11	\$72,174.28
53-Hour Rate	\$24.81	\$25.43	\$26.19
40-Hour Rate	\$32.87	\$33.69	\$34.70
Captain			
Annual Rate	\$62,148.22	\$63,701.92	\$65,612.98
53-Hour Rate	\$22.55	\$23.11	\$23.81
40-Hour Rate	\$29.88	\$30.63	\$31.54
Lieutenant/Inspector			
Annual Rate	\$56,498.38	\$57,910.84	\$59,648.16
53-Hour Rate	\$20.50	\$21.01	\$21.64
40-Hour Rate	\$27.16	\$27.84	\$28.68
Class A FF			
Annual Rate	\$51,362.16	\$52,646.22	\$54,225.60
53-Hour Rate	\$18.64	\$19.10	\$19.68
40-Hour Rate	\$24.69	\$25.31	\$26.07
Class B FF			
Annual Rate	\$46,225.95	\$47,381.59	\$48,803.04
53-Hour Rate	\$16.77	\$17.19	\$17.71
40-Hour Rate	\$22.22	\$22.78	\$23.46
Class C-1 FF			
Annual Rate	\$41,603.35	\$42,643.43	\$43,922.74
53-Hour Rate	\$15.10	\$15.47	\$15.94
40-Hour Rate	\$20.00	\$20.50	\$21.12

Class C-2 FF			
Annual Rate	\$37,443.02	\$38,379.09	\$39,530.46
53-Hour Rate	\$13.59	\$13.93	\$14.34
40-Hour Rate	\$18.00	\$18.45	\$19.01
Paramedic Bonus	\$1,000.00	\$1,000.00	\$1,000.00

TENTATIVE AGREEMENTS

At the request of the parties, the Conciliator awards the tentative agreements reached by the parties as their mutually agreed upon final offers.



Nels E. Nelson
Conciliator

September 19, 2017
Russell Township
Geauga County, Ohio