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**CONCILIATION AWARD**

**STATE EMPLOYMENT  
RELATIONS BOARD**

**STATE OF OHIO**

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**STATE EMPLOYMENT RELATIONS BOARD**

**March 23, 2000**

In the Matter of: )  
 )  
 City of Zanesville )  
 )  
 and )  
 )  
 International Association of )  
 Firefighters, Local No. 88 )

Case No. 99-MED-07-0618

**APPEARANCES**

**For the City of Zanesville**

Dale Raines, Budget & Finance Director  
David A. Lacy, Assistant Fire Chief

**For the IAFF, Local No. 442**

John Mozena, Local No. 88 President  
Mike Massie, OAPFF Dist. V.P.  
Jeffrey Jadwin, Local No. 88 Secretary  
Jim Prang, #2 Turn Representative  
Gale Law, #3 Turn Representative  
Scott Ford, #1 Turn Representative

**Conciliator**

Richard E. Gombert

## BACKGROUND

The parties to this conciliation are the City of Zanesville (hereinafter sometimes referred to as the "City" or the "Employer") and the International Association of Firefighters, Local No. 88 (hereinafter sometimes referred to as the "IAFF", the "Union" or "Local No. 88"). There is a collective bargaining agreement involving the City and Local No. 88. It became effective on January 1, 1997. It expired on December 31, 1999.

The parties have been attempting to negotiate a new collective bargaining agreement. They have resolved many of the issues. But, they have been unable to resolve issues involving three contractual provisions, specifically, ARTICLE 13 - INSURANCE SCHEDULE, ARTICLE 12 - VACATIONS/HOLIDAYS and ARTICLE 9 - WAGES plus APPENDICES I, II & III.

These matters were submitted to the fact-finding process. The Fact-Finder was Theodore V. Clemans. He held a hearing on December 20, 1999. He issued his report on February 2, 2000. The City accepted his recommendations. The Union did not do so. Consequently, the matter proceeded to the conciliation process.

The State Employment Relations Board appointed the undersigned to be the conciliator on February 24, 2000. The appointment was based on the preferences of the parties and the availability of conciliators. The conciliation hearing was held in a City Hall conference room in Zanesville on March 16, 2000. It started at 10:00 a.m. It adjourned at 11:00 a.m.

The Conciliator is required to select the final offer of one party or the other without modification on an issue-by-issue basis. The selection between the final offers is based on the criteria set forth in Section 4117.14 (G)(7) of the Ohio Revised Code. That criteria is:

- (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 involved 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 interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service;
- (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 the 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.

## ISSUES

The first issue involves ARTICLE 13 - INSURANCE SCHEDULE.

### Employer Position

There is a real concern about rising health care costs. Currently, the City pays 100% of the cost of insurance for all its employees. This cost has been constantly rising. It had to absorb an 18.79% increase in 1997, a 10.72% increase in 1998 and a 4.13% increase in 1999. There will be a 17.7% increase in 2000. No one knows what the cost will be in the future.

The Employer believes that those employees, who participate in family coverage, should pay a portion of the cost. It is not asking those employees, who choose single coverage, to share in the cost. It notes that in 65% of the jurisdictions statewide employees pay a portion of their family coverage. In Southeast Ohio, the figure is 77%.

The City's proposal of \$5.00 per pay period in 2000, \$7.00 in 2001 and \$10.00 in 2002 is reasonable. There are 26 pay periods per year. The statewide average employee contribution for family coverage is \$63.33 per month.

The proposed language for Section 13.1 is now included in approved labor contracts for Police Officers, Sergeants & Lieutenants and AFSCME.

Also, the City wants: (1) a Section 13.2(D). It involves an attempt to add an optical plan to the health plan; and (2) a new section to Article 13, i.e., Section 13.5 which would provide that grievances involving Article 13 would start at Step 3 of the Grievance Procedure.

### Union Position

The IAFF doesn't have any objections to the last two items involving optical coverage and/or grievance processing procedure. There is opposition to cost sharing. There was some cost sharing in 1991. But, it was negotiated out in 1994. Local No. 88 wants to maintain the existing contract language in Section 13.1. It does not want to return to some form of cost sharing.

The Union is concerned about the deductibles. The firefighters have a \$400 deductible. But, the police, corrections officers and AFSCME members only have a \$350 deductible. And, the unaffiliated employees only have a \$100 deductible. This arrangement isn't fair.

The bargaining unit employees feel very strongly about this issue. It was the main reason that the members voted to reject the Fact-Finder's Report.

### Discussion

There isn't any doubt that rising health care costs are an important issue in the negotiation of collective bargaining agreements in this country. It is difficult. It is real. It may be contentious. Obviously, it is a contentious item between these two parties. It has to be resolved.

The City advances the more compelling argument. It's position is basically the Fact Finder's recommendation. It has refined that decision in some small details which are more generous to the employees.

It is noted that the Employer does not seek retroactivity. It will not go back to January 1, 2000 and collect past deductions. It will only begin at the present time and start payroll deductions for the employee's share of family coverage.

The employee should share in the cost of the health care plan. Then, the employee as well as the Employer will have a stake in keeping health care costs under control. Both parties want to maintain a good plan for all concerned.

There isn't anything new about cost sharing. It existed at one time. Then, it was negotiated away. It is now coming back again. It exists in the City's labor contracts with its other unions. It exists in 77% of the public collective bargaining agreements in Southeastern Ohio. It appears to be a concept whose time has come.

The amounts are reasonable. It would be \$130 in the first year (it is less because there won't be any retroactivity). It will be \$182 in the second year. It will be \$260 in the third year.

The Employer's position is adopted.

### Award

The Conciliator awards the City's final offer concerning ARTICLE 13 - INSURANCE SCHEDULE, Sections 13.1, 13.2(D) and 13.5.

The second issue involves ARTICLE 12 - VACATIONS/HOLIDAYS (NEW SECTION).

### Union Position

The IAFF believes it should have some provision for paid holidays in the collective bargaining agreement. Currently, there isn't any provision for holiday pay. It wants the new language added to ARTICLE 12.

The firefighters work a 24 hour shift. Then, they are off for 48 hours. This provision would not give them any more time off. But, they would be paid better. They would be paid their base hourly rate for a 24 hour day for 25% of the eight requested holidays. In short, they would be paid for two days per year.

It is obvious that Local No. 88 is accepting the Fact-Finder's Report on this issue.

### Employer Position

The City opposes this new section in its entirety. It notes that it provides more vacation to its employees to compensate for the lack of paid holidays. This concept is grounded in history.

The Local No. 88 members had two personal holidays about six years ago. The parties negotiated these holidays away for more vacation. If holiday pay was added to the labor contract, it would result in double compensation.

This concept also applies to some other bargaining units. The Employer has recently reached agreement with its Police Officers and its Sergeants & Lieutenants. There isn't any provision for paid holidays in either of these two labor contracts.

The status quo should be maintained.

### Discussion

There are cogent arguments on both sides of this issue. It is hard to believe that a collective bargaining agreement in the year 2000 would not contain some provision for paid holidays. But, there is a basic principle of freedom involved in collective bargaining. The parties are free to negotiate on these subjects. They are allowed to swap and trade. They may want to negotiate a holiday pay section into their labor contract. They may negotiate it out of their labor contract. The freedom belongs to the parties.

The comparables aren't persuasive for either side. The Fact-Finder looked at total hours (i.e., vacation, holidays and personal days). The data indicates that the Employer is above two cities, below two cities and about equal to one city. The conclusion is that Zanesville is in the middle.

There are two factors that lean towards the City. (1) History. The parties negotiated two personal holidays out of the labor contract. They preferred more vacation. They have continued to negotiate more vacation. This bargaining pattern is a factor. (2) Other Bargaining Units. The Employer follows this same bargaining strategy in substantial detail with its other bargaining units. The Fact-Finder's hearing was held on December 20, 1999. Subsequent to that time, the City reached agreement with both the Police Officers' unit and the Sergeants & Lieutenants' unit that do not include paid holidays.

The status quo appears to be the best solution for this issue. The Employer's position is adopted.

### Award

The Conciliator awards the City's final proposal concerning ARTICLE 12 - VACATIONS/HOLIDAYS.

The third issue involves ARTICLE 9 - WAGES plus APPENDICES I, II & III.

### Union Position

The IAFF believes that there should be a general across-the-board wage increase of 4% in the first year (retroactive to January 1, 2000) of a three year labor contract. Then, there should be general across-the-board wage increases of 4% and 4% in the second and third years.

The Local No. 88 members have an effective hourly rate that is somewhat less than the hourly rate paid to firefighters in Cambridge, Heath, Lancaster and Newark. It is a bit higher than Marietta.

It notes that the average Local No. 88 firefighters' total earnings are somewhat comparable to other cities only because they work so many hours. They work more hours at a lower rate. They would prefer to work less hours. They want a higher rate.

Also, it notes that the F.O.P. units have a "me too" clause and AFSCME members got a step increase in addition to their general wage increases. The firefighters job is a dangerous job. They want to be compared to other firefighters.

## Employer Position

The City believes that the general across-the-board wage increases should be 3.5% - 3.5% - 3.5%. It does not oppose an effective date of January 1, 2000 for the first year wage increase.

The Employer has more than fairly compensated the employees insofar as the rate of inflation is concerned. The last labor contract had general wage increases of 4.0% - 3.5% - 3.5%. The rate of inflation was 1.6% - 1.7% - 2.7% during these three years. Obviously, wage increases have exceeded the rate of inflation.

The City has settled with the F.O.P. units and the AFSCME unit for 3.5% - 3.5% - 3.5%. It acknowledges that there were some upward adjustments in the AFSCME ranges. Also, the F.O.P. units will receive any general increase that IAFF receives which is in excess of 3.5% - 3.5% - 3.5%.

The average annual earnings of a Local No. 88 firefighter exceeds the average annual earnings of a firefighter in all of the comparables. Furthermore, the most current general wage increases for all the comparables average 3.4% - - they range from 3.0% to 4.0%.

## Discussion

The Union argument is the more persuasive argument. There isn't any doubt that the hourly rate for Local No. 88 members is somewhat low. Their annual earnings are fair only because they work more hours than the firefighters in the comparables.

Also, it is noted that the Fact-Finder's Report contained general wage increases of 3.5% - 4.0% - 4.0%. The Employer ratified this recommendation. Then, in conciliation, it retreated from this position and seeks lower general wage increases. It never advanced an inability to pay argument.

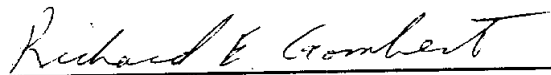
The Local No. 88 position is adopted.

## Award

The Conciliator awards the Union's final proposal concerning ARTICLE 9 - WAGES and APPENDICES I, II & III.

Certification

This Conciliation Award is based upon the evidence and testimony presented to me at the hearing conducted on March 16, 2000 and on the evidence submitted by the parties prior to and at the hearing. The final offer awards are based upon the procedures for conciliation as found in O.R.C. 4117 and associated administrative rules promulgated by the State Employment Relations Board. This Award involving the final offers by the parties concerning three articles of the new collective bargaining agreement are the only items that have been decided in this Conciliation Award.

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**RICHARD E. GOMBERT**  
**CONCILIATOR**

Worthington, Ohio