

STATE EMPLOYMENT
RELATIONS BOARD

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STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

CONCILIATION REPORT

GREEN TOWNSHIP PROFESSIONAL FIREFIGHTERS

ASSOCIATION, IAFF, LOCAL 2927

AND

GREEN TOWNSHIP TRUSTEES

CASE NUMBER: 99-MED-10-10003

MICHAEL MARMO

CONCILIATOR

CINCINNATI, OHIO

MAY 1, 2000

HEARING

The hearing took place on Friday, April 21, 2000 at the Nathaniel Green Lodge in Green Township, and lasted from 9:00 a.m. until 11:00 a.m. Representing Local 2927 were its President and principal representative, Jeff Sweet; Michael A. Boeckermann, Secretary-Treasurer; Patrick M. Gunn, Vice-President; and Kevin J. Hummeldorf, Trustee. Representing the Township were its principal representative, Attorney Mark Lutz; T.P. Kotte, Assistant Chief; T.R. Maley, Administrator; Francis M. Hyle, Attorney; Bob Weitzel, Chief; and Deborah Brook, Paralegal.

ISSUES REMAINING AT IMPASSE

At the time of the hearing two issues remained in dispute:

1. Percentage Wage Increase (Appendix A)
2. Calculation of the Hourly Rate (Appendix A)

MEDIATION

Mediation was attempted, but was not successful in resolving either of the issues.

CRITERIA FOR AWARDS

As provided by the rules of the State Employment Relations Board, the Conciliator based his award on the following:

- The past collectively bargained agreements between the parties;
- A comparison of 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;
- 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;

- The lawful authority of the employer;
- Any stipulations of the parties; and
- Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

DISCUSSION AND AWARDS ON UNRESOLVED ISSUES

PERCENTAGE WAGE INCREASE

FINAL PROPOSALS OF THE PARTIES

The final position of the Township was for a wage increase of 5% for the year 2000, 4% for 2001, and 4% for 2002. The Union's final offer proposed wage increases of 5.34%, 5.33%, and 5.33% for the years 2000, 2001, and 2002 respectively.

ARGUMENTS OF THE PARTIES

The Township argued that its proposal was appropriate, considering the increases received in recent years by comparable employees. It defined comparable employees as unionized township fire departments in Southwest Ohio. According to the Township's data, the most recent percentage wage increase in these fourteen departments averaged 3.67%. The Township also pointed out that out of its group of comparables, average increases for the year 2001(3.9%), were also below the Township's offer of 4%.

The Township also pointed out that in terms of absolute dollars, bargaining unit members currently receive higher wages than the average for comparable employees. This higher than average compensation, the Township argued, exists for entry level firefighters, top firefighters, and lieutenants.

In what it considered its most salient argument, the Township contended that both the Union

and the Factfinder erred when they relied on an incorrect set of comparables. The Employer maintained that the Union and the Factfinder both placed too heavy an emphasis on Colerain and Anderson Townships, entities that the Employer considers atypical.

The Township also argued that its proposal would best maintain internal equity with other Township employees. The Employer's final offer, they maintained, is higher than the increases granted to other Township employees. Granting the still larger increase, proposed by the Union, they maintained, would upset the internal comparisons that had developed over an extended period of time.

Finally, the Township argued that the wage increase it proposed was considerably higher than recent increases in the cost of living.

The Union's final proposal was a percentage wage increase of 5.34% for 2000, 5.33% for 2001, and 5.33% for 2002.

The sixteen percent increase proposed by the Union was the amount recommended by the Factfinder, although the Union spread the increase evenly over the three year life of the agreement. The Factfinder had recommended the biggest increase be granted in the initial year of the contract, or frontloaded.

The Union, citing the Factfinder's reasoning, argued that the appropriate basis for comparison for Green Township firefighters, is other larger townships in Hamilton County. Using this basis of comparison, the Union reached the same conclusion as the Factfinder; "The Union needs an adjustment on wages to bring current wages more in line with industry standards." The townships the Union considers appropriate comparisons include Anderson, Colerain, and Delhi, all located in Hamilton County.

DISCUSSION

Selecting the final offer of the Union or the Township centers on one issue; what are the appropriate comparables? The Conciliator agrees with the Factfinder that wage inequities should be adjusted over an extended period of time rather than all at once. However, if wages are below those of comparable employees, higher than average wage increases are appropriate to gradually reduce this disparity in wages.

When deciding on the appropriate comparables a number of criteria are traditionally taken into account.

First, is geographical proximity. Living costs vary considerably from one part of the state to another. Employees in the same county are likely to shop in the same retail establishments. They all pay the same county wide taxes, whether it is to support mental health programs, or downtown sports arenas. When the U.S. Department of Labor gathers cost of living statistics they recognize that different Standard Metropolitan Statistical Areas(SMSA) exist, and therefore compute different costs of living for different metropolitan areas. Labor economists understand that for a job such as a firefighter, a labor market is essentially local. Thus, if a trained firefighter lives in Green Township, they will be likely to consider changing jobs if they can receive a higher wage, but maintain their friendships and family ties in the area. This means that an employer within the same local labor market cannot pay significantly less than the going rate. It also means that it is not particularly relevant to compare the wages of Columbus area fire departments, with those in the Cincinnati area.

The size of a political entity is also a significant factor in determining appropriate comparables. Although not a perfect comparison, similar sized jurisdictions tend to have somewhat similar issues/problems. Larger townships, for example, are likely to have more commercial establishments, while smaller townships may be primarily residential. This

difference is likely to impact the difficulty of a firefighter's job.

Finally, whether a township is located in proximity to a large metropolitan area is significant. Although Green Township retains much of the charm and ambiance of a small town, living costs, commuting problems, and other problems/costs of city living are beginning to encroach on this area. A comparison with a smaller township in a more rural setting is not appropriate.

In sum, the appropriate comparables for Green Township firefighters are unionized township fire departments in Hamilton County. Based on these comparisons, Green Township firefighters are underpaid; and as the Factfinder recommended, they are entitled to above average wage increases. For this reason, the final position of the Union is the more appropriate choice.

AWARD

For the reasons cited, the final position of the Union is awarded.

The annual salaries for those positions listed in Appendix A of the Agreement shall be increased by 5.34% in the year 2000, by 5.33% in 2001, and by 5.33% in 2002.

CALCULATION OF THE HOURLY RATE

FINAL PROPOSALS OF THE PARTIES

The Township's final offer was to calculate the hourly rate by dividing an employee's annual salary by 2,912 hours. The Union proposed to calculate this hourly rate by dividing an employee's annual salary by 2,756 hours.

ARGUMENTS OF THE PARTIES

The hourly rate of pay for bargaining unit members is not significant for determining their "regular" rate of pay. It does, however, serve as the basis for determining "extra" pay, such as overtime pay, holiday pay, and training pay.

The Township's final offer is to calculate the hourly rate by dividing the employee's annual

salary by 2,912 hours. They argued that the Township has always calculated the hourly rate by dividing a firefighter's annual salary by 2,992 hours. This figure was arrived at by multiplying the number of hours per week then worked by firefighters(56), by 52 weeks per year. In 1994, the work week was reduced to 53 hours, but the collective bargaining agreement continued to calculate the hourly rate by dividing the annual salary by 2,992 hours.

In addition, the Township noted that the Factfinder recommended that the current method for calculating the hourly rate(the Employer final proposal) be retained.

Finally, the Township noted that the Union's method of calculating the hourly rate was simply an attempt to artificially increase the wages of employees who already receive above average compensation.

The Union argued that to determine a firefighter's hourly rate of pay, their annual salary should be divided by 2,756 hours. This figure is arrived at by multiplying the average number of hours firefighters currently work per week (53), by 52 weeks per year.

The Union indicated that the Factfinder found such a method of calculating hourly pay to be "legitimate and orthodox". They also argued that because firefighters currently work an average of 53 hours a week, the computation of their hourly rate should reflect this reality.

DISCUSSION

Each of the parties argued that their methods of calculating hourly pay were legal and legitimate. They are both correct in their assertions. There are valid arguments to support each of the methods for determining the hourly pay rate.

Most important, however, is that accepting the Union's method of calculating the hourly rate of pay would result in a wage increase that is extraordinarily high. If the Conciliator granted the final positions of the Union on both wages and the computation of the hourly rate, the increase in

hourly wages effective January 1, 2000 would be 13.1% for starting firefighters, 10.15% for firefighters with three years seniority, and 16% for starting lieutenants. Increases of this magnitude cannot be supported. As the Factfinder correctly observed, "While the Township has lagged in wages, it is not the intent of the Neutral to remedy it in one full swoop. The situation has taken some time to develop and it would take some time to adjust."

Because the Conciliator has awarded the Union's final offer on wages, their final proposal on the computation of hourly wages must be rejected. To award both of the Union's final proposals would result in wage increases for "extra" pay that are extraordinarily high.

AWARD

For the reasons cited, the Township's final position is awarded. For the computation of the hourly rate of pay for bargaining unit employees, their annual rate of pay shall be divided by 2,912 hours. This method of calculation shall be reflected in the hourly wage rates appearing in Appendix A of the Agreement.

FINAL AWARD

As stipulated by both parties, it is the award of the Conciliator that all issues tentatively agreed to be incorporated in the new Agreement.

This concludes the Conciliator's award.



Michael Marmo

Conciliator

Cincinnati, Ohio

May 1, 2000

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing document was served by U.S. Mail overnight delivery on May 1, 2000 to Mark E. Lutz, Denlinger, Rosenthal, and Greenberg, 425 Walnut Street, Suite 2310, Cincinnati, Ohio 45202; Jeff Sweet, 532 Aston View Lane, Cleves, Ohio 45002; and by regular U.S. Mail to George M. Albu, SERB, 65 E. State Street, 12th floor, Columbus, Ohio 43215-4213.

Michael Marmo

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