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VIA EMAIL ONLY

Anthony Hyatt
President
International Association of Fire Fighters, Local 639
(tonyhyatt@netzero.net)

**Re: City of Parma/International Association of Fire Fighters, Local 639 Unit
27th Pay Adjustment**

Dear Anthony:

Per the ongoing discussions between the City and the IAFF, the City continues to experience a significant reduction in 2020 revenue due to the economic consequences of the COVID-19 pandemic. The City has provided the IAFF with data on its actual revenue losses through May 2020, projected losses in 2020, numerous cost-cutting measures it has implemented including layoffs of non-IAFF-represented employees, and other information the IAFF requested. The City also adjusted the pay of all non-union employees (including all department heads and elected officials) during the May 7, 2020 pay period to eliminate the additional pay in 2020 – the 27th pay.

The City's most recent estimated revenue shortfall in 2020 is \$3.9 million. While the City may recover some of those projected losses as the year progresses, the City will not recover much of those losses. The 27th pay adjustment applied to non-union employees reduced 2020 expenditures by over \$200,000. The same adjustment applied to all City employees will reduce the City's expenditures by \$1.7 million. As the City notified the IAFF on May 12, 2020 and thereafter, implementing the 27th pay adjustment is within its legal and contractual rights.

The City's collective bargaining agreement with the IAFF (CBA) defines a "Salary Schedule" and sets out the annual salary for all bargaining unit classifications. Per the CBA Salary Schedule, IAFF members' bi-weekly pay is determined by dividing the annual salary by 26 pay periods. Accordingly, by the terms of the CBA and longstanding practice, IAFF members are paid 1/26th of their annual salary bi-weekly regardless of actual hours worked in addition to being paid overtime for hours per the CBA. With the exception of designated overtime hours, the CBA does not require the City to pay IAFF members more in base wages than the identified annual salary for any calendar year.

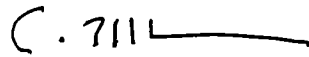
Based on the foregoing, the City will meet its CBA obligation by paying IAFF members the total 2020 annual salary set forth in the CBA for their individual job classification. As a result, the CBA does not require the City to pay IAFF members 1/26th of their negotiated annual salary 27 times and the City is within its rights to unilaterally implement the 27th pay adjustment it has implemented with its non-union employees.

After our prior discussion of this change and its effects, this letter serves as notice of the City's decision to implement the 27th pay adjustment as to all IAFF members effective during the pay period leading to the July 16, 2020 pay. Starting on the July 16, 2020 pay and for every pay date for the remainder of 2020, the City will deduct 1/13th of a bi-weekly pay from each IAFF bargaining unit member's pay.

Please contact me at pjh@zrlaw.com, 216.696.4441 (office), or 216.372.8660 (cell) if you have any questions.

Very truly yours,

ZASHIN & RICH CO., L.P.A.



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cc: City of Parma

