

COMMONWEALTH OF MASSACHUSETTS
JOINT LABOR -- MANAGEMENT
COMMITTEE FOR POLICE AND FIRE,
Case No. JLMC 13-2682

Chatham Permanent Firefighters, IAFF Local
2712

and

Town of Chatham

REPORT OF THE INTEREST

ARBITRATION PANEL

The undersigned neutral arbitrator was designated to chair a tripartite panel of arbitrators by the Joint Labor Management Committee, as per a letter dated October 29, 2013, from Heather Bevilacqua, Mediator Manager. That correspondence also named Gerard Hayes as Management Representative and Paul Medeiros as Labor Representative on the panel.

This matter was scheduled and set for hearing before the above panel on January 15, 2014 at 10:00 a.m. at the Chatham Town Office, 549 Main Street, Chatham, MA 02633. At the conclusion of this hearing, the parties agreed to file post-hearing briefs, due to be postmarked on or before February 28, 2014, with delayed receipt by the neutral arbitrator, who was on the West Coast on another commitment, upon his return on March 28, 2014. At the hearing, both sides made presentations, with IAFF Local 2712 offering its positions first.

At the hearing, both sides were represented as follows:

For Chatham Permanent Firefighters:

Joe Sandulli, Esquire

Counsel for Chatham Firefighters

Kevin Moore

President, Chatham Firefighters

Justin Tavano

Secretary-Treasurer, Firefighters

For the Town of Chatham:

John Clifford, Esquire

Counsel for Town of Chatham

Jill Goldsmith

Town Manager

Michael Ambriscoe

Chief, Chatham Fire Department

Alexandra Heilaka

Finance Director

As part of the initial phase of these proceedings, each side identified particular issues for this hearing, in addition to the topics of “Wages” and “Duration,” including three more topics at the initiative of the Town and five more topics at the initiative of the Union. For reference purposes:

<u>Issue No.</u>	<u>Topic</u>	<u>Article</u>	<u>Page</u>
1.	Wages and Duration	XIX and XXV	6
2.	(Fire) Two employees on vacation at any one time	XI	18
3.	(Fire) Establish stipends for functions as proposed	various	19
4.	(Fire) Overtime: Three Hour Minimum Callback	X	20
5.	(Fire) Staffing by equipment: 4/truck; 3/ambulance	new	21
6.	(Fire) Conversion of 2 vacation shifts to 24 hrs personal time	XXII (6)	23
7.	(Town) Sick leave change in new hire buyback	XII	24
8.	(Town) Change, new hire insurance contributions	XIV	26
9.	(Town) Change, educational pay for new hires, BA degree needed	XVI	27
10.	(Town) Change new hire longevity	XVII	29

EXHIBITS

The parties submitted the following exhibits in support of their respective positions on the issues presented during the hearing:

1.	Current collective bargaining agreement (CBA) June 1, 2008 to June 30, 2011, Chatham Permanent Firefighters and Town of Chatham 39 pp.	Union Ex. No. 1
2.	Contract extension, June 30, 2011 – June 30, 2012, unsigned	Union Ex. No. 2
3.	First Union proposal covering 8 topics, presented 6/27/12	Union Ex. No. 3
4.	Town proposals, July 11, 2012, 5 numbered topics	Union Ex. No. 4
5.	Joint Petition to JLMC, same issue plus call back, dtd 14 March 2013	Union Ex. No. 5
6.	Letter, JLMC to parties certifying issues: wages, 5 union and 4 town dtd 16 Oct 2013	Union Ex. No. 6
7.	Letter, JLMC to parties and appointed arbitration panel, 29 Oct 2013	Union Ex. No. 7

8.	Composition (updated) of bargain unit: 15 FF, 4 LT, 5 CPT	Union Ex. No. 8
9.	Unit Seniority List, 24 employees, as of July 1, 2013	Union Ex. No. 9
10.	Firefighter pay rates, inclusive of EMT, Educ., stipends, holidays, etc.	Union Ex. No. 10
11.	Ambulance transport revenue, CY 2007 – 2013	Union Ex. No. 11
12.	Ambulance transport revenue, CY 2007-2013, monthly	Union Ex. No. 12
13.	Department response (types) history, 2008 - 2013 (EMS and totals)	Union Ex. No. 13
14.	Town bond prospectus, June 14, 2012, 57 pp plus appendices	Union Ex. No. 14
15.	Town Auditor Report financial statements, discussion, as of 6/30/12	Union Ex. No. 15
16.	Town Manager's FY 2014 Budget Summary, period ending 6/30/14	Union Ex. No. 16
17.	S&P General Obligation Debt Credit Profile for Chatham, 6/11/12	Union Ex. No. 17
18.	Comparable Communities (all FT departments on Cape + Ntucket)	Union Ex. No. 18
19.	Comparable Communities, by size of personnel in departments	Union Ex. No. 19
20.	Comparable Towns by fire expense costs, FY 2012	Union Ex. No. 20
21.	Comparable Communities by total assessed valuation, FY 2013	Union Ex. No. 21
22.	Comparable Towns, equalized valuation per capita, 2012	Union Ex. No. 22
23.	Comparable Towns, tax levy, FY 2013	Union Ex. No. 23
24.	Comparable Towns, population, Chatham shows summer/winter	Union Ex. No. 24
25.	Comparable Towns by bond ratings (undated)	Union Ex. No. 25
26.	Comparable Towns "municipal revenue growth factor" FY-2014	Union Ex. No. 26
27.	Comparable data, FF/Paramedic at top ranges, FY-12	Union Ex. No. 27
28.	Comparable data, FF/EMT at top step, FY-12	Union Ex. No. 28
29.	Comparable Towns, wage increase data, FY-13 to FY- 16	Union Ex. No. 29
30.	Comparable Towns, Health Insurance Contribution (undated)	Union Ex. No. 30
31.	Comparable Towns, longevity pay provisions (over 32 yrs)	Union Ex. No. 31
32.	Comparable Towns, sick leave buy-back, by percent	Union Ex. No. 32
33.	Comparable Towns, call-back minimums	Union Ex. No. 33

34.	Comparable Towns, staffing provisions found in CBA's	Union Ex. No. 34
35.	Comparable Towns, stipend provisions/special duties	Union Ex. No. 35
36.	Source of data for prior exhibits and 14 towns, <Mass.Gov/DOR>	Union Ex. No. 36
37.	Comparable Towns, DOR "Municipal Rev. Growth Factor" FY 2014	Union Ex. No. 37
38.	CBA, Chatham Sergeants and Police Officers, 7/1/12 to 6/30/15	Union Ex. No. 38
39.	Letter, Twn. Mgr. To Selectmen 8/16/12, re Union approval of 2012-2015 CBA, requesting vote to approve that agreement, w/attachment.	Union Ex. No. 39
40.	CBA, Chatham Sergeants and Police Officers, 7/1/11 to 6/30/12	Union Ex. No. 40
41.	CBA, Chatham Sergeants and Patrol Officers, 7/1/06 to 6/30/09	Union Ex. No. 41
42.	Chatham police officers and sergeants, college degrees achieved	Union Ex. No. 42
43.	Chatham Police Dept., officers and education-pay levels	Union Ex. No. 43
44.	Chatham Police and Fire Depts., wage comparison at top step, FY 12	Union Ex. No. 44
45.	Chatham Police and Fire Depts., comparison of wage increases	Union Ex. No. 45
46.	"Cherry Sheet" for "General Govt." funds in Chatham, FY 08	Union Ex. No. 46
47.	"Cherry Sheet" for General Govt. funds in Chatham, FY 09	Union Ex. No. 47
48.	"Cherry Sheet" for General Govt. funds in Chatham, FY 10	Union Ex. No. 48
49.	"Cherry Sheet" for General Govt. funds in Chatham, Fy 11	Union Ex..No. 49
50.	"Cherry Sheet" for General Govt. funds in Chatham, FY 12	Union Ex. No. 50
51.	"Cherry Sheet" for General Govt. funds in Chatham, FY 13	Union Ex. No. 51
52.	"Cherry Sheet" for General Govt. funds in Chatham, FY 14	Union Ex. No. 52
53.	CBA Monomoy Regional Sch. Dist. (Chatham + Harwich) 2012-2015	Union Ex. No. 53
54.	Letters, Chatham Human Resoruce Director Panuczak to Town employees about directed changes in benefit (health) plans, 2011 to 2014	Union Ex. No. 54
55.	"Stipends" list/sheet for employees in CFD, still on the table (no date)	Union Ex. No. 55
56.	Chatham Fire Station Headquarters, presented to Selectmen and dated July 9, 2013, with estimate construction cost of \$8,376,690.	Union Ex. No. 56

57. Town Housing Production Plan, 2012, Demographic Profiles, wage base, income distribution, wages by industry, age, etc. (16 pp and on flash drive) Town Ex. No. 1
58. Chatham Budget and Financial Management Policies. 5pp Town Ex. No. 2
59. Chatham Labor Force, employment/unemployment rates, 2003-2013 Town Ex. No. 3
60. Town Manager's FY 2014 Budget Summary, 2013-2014, (See Union # !6) Town Ex. No. 4
61. DOR Stabilization Fund & Free Cash as percent of the budget, 2012 Town Ex. No. 5
62. US DOL, Bureau of Labor Statistics, CPI data as of Dec. 17, 2013 Town Ex. No. 6
63. Financial Flexibility Report, FY 2012, 3 pp. Town Ex. No. 7
64. Municipal Debt, Barnstable County, 12 towns + Chatham, FY 2012 Town Ex. No. 8
65. Average Single Family Tax Bill in Chatham, 2003 - 2013 Town Ex. No. 9
66. Average Single Family Tax Bill in Barnstable County, FY 2014 Town Ex. No. 10
67. Comparable Towns, average general fund expenditures per capita (no date) Town Ex. No. 11
68. General Fund expenditures as a percentage of the total (no date) Town Ex. No. 12
69. General Fund expenditures as a percentage of the total, by function Town Ex. No. 13
70. Chatham F. D. 2014 Operating Expenses, actual, budget, supplemental Town Ex. No. 14
71. Chatham F.D. individual wages plus other payouts; list and salaries all town employees Town Ex. No. 15
72. Annual wages, Fire Department, by amounts, plus OT, longevity, 2012 Town Ex. No. 16
73. Comparable towns, Barnstable County, @ 10 years: FF, FF/EMT and FF/Paramedic Town Ex. No. 17
74. Chatham negotiated wage settlements vs police and muni. Employees, FY 13, FY 14 and FY 15. 2 pp. Town Ex. No. 18
75. Chatham compensation comparisons: police and fire as of 6/30/12 Town Ex. No. 19
76. Chatham Fire Dept., Organizational Analysis, dtd July, 2011. 15 pp. (prepared by Municipal Resources, Meredith, NH) Town Ex. No. 20
77. Memo, HR Director Panuczak to TMgr. Goldsmith, Finance Dir. Heilala, and police Chief Pawlina, re: Police Contract Compensation Analysis (Rev. 2) Town Ex. No. 21
78. Chart: Incidents of Building Fires in Chatham, 2008 – 2013 Town Ex. No. 22

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| 79. Chatham Fire Dept., "Fire incidents" by type, 1/1/13 – 12/31/13, with comparisons to three prior years. | Town Ex. No. 23 |
| 80. Chatham Fire Dept., Summary of fire incidents and budget needs | Town Ex. No. 24 |
| 81. Chatham Fire Officers Meeting Agenda, December 5, 2013, along with a second sheet entitled "officer assignments" for captains and lieutenants | Town Ex. No. 25 |
| 82. Chatham Fire Rescue Department, Two in/Two out protocols for the appropriate responses and use of Rapid Intervention Teams (RITs) 6 pp. | Town Ex. No. 26 |
| 83. Chatham Fire Department overtime by month, FY 12, FY 13 and FY 14 in progress | Town Ex. No. 27 |
| 84. Costs for additional firefighters – under the per piece manning proposal, EMTs versus paramedics | Town Ex. No. 28 |
| 85. Town of Chatham, "Revised Town Proposals" undated, directing attention to the areas of: wages, Art. XII, sick leave, and Art. XIV, group insurance 65%/35% coverage, Art. XVI "education pay" for employees hired after "the issuance of an award or ratification of the collective bargaining agreement shall only receive incentive pay upon completion of a bachelor's degree in Fire Science." | Town Ex. No. 29 |

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There follows an explanation of the positions of the parties on each of the foregoing issues along with the panel's determination on how those issues shall be resolved:

Issue No. 1.

Contract Articles XIX and XXV

Wages and Duration

The parties have different expectations for the wage package for this contract. The Union is looking to maintain certain pay and benefit levels, and to maintaining something close to parity with comparable communities (the parties do not agree on the same list of comparable communities, although some communities appear in both lists). The Town is seeking cost savings/concessions to fund the new CBA, is not as committed to comparable communities data as the Union is, and sees areas where certain benefit levels for "already-employees" in the bargaining unit might remain stable while new employees would be under newer and lower levels of employee benefits in certain areas. The "Town's Revised Proposals" exhibit this approach. Their disagreements are apparent from the mismatches on Union Ex. No. 4.

Position of the Union

During its opening statement, the Union expressed its need to maintain "reasonable wage and benefit increases," without radical changes. It pointed to what it called "substantial give-backs being sought by the Town and being imposed on this bargaining unit, for current or prospective employees, in ways that have not been imposed on employees of other Town departments. In particular, the Union mentioned its concern with sick-leave buy-backs, its

proposed change to health insurance premiums from 70% to 65% (new employees), a reduced longevity scale and cutting back on benefits for new employees (after the ratification of the agreement now under consideration). These changes are harsh, if not punitive, in a community that is one of the wealthiest towns in the state, by a number of various means of measuring that metric and a review of comparable communities.

The Union's bargaining unit is relatively small. As updated at the hearing,¹ it consists of 15 firefighters/privates, 4 lieutenants, and 5 captains, inclusive of one who is an inspector. Of the 24, 16 are qualified paramedics and 8 are MTS's. The range for "regular pay" goes from a low figure of \$47,216 to a high of \$63,447. With various certifications, stipends and other benefits, the "gross" pay for this group goes from a low of \$55,120 to a high of \$76,793.² The Union urged that all of these costs were not supported by direct taxation, citing to the revenue realized by ambulance transport services. Pro-rated for the month of last December, this raised \$594,873 in revenues in 2013, and has been as high as \$629,259 in 2007.³ Both the types and numbers of incidents that require response from the department have increased over the past six years, from the mid-2500's in the 2008-2010 range to 2790 in 2013.⁴

The Union pointed to the Town's financial well being by reference to their solid financial status, ability to raise funds/borrow money, and their Standard and Poors "AAA" bond rating.⁵ Expanding on that, as of June 30, 2011, restricted, committed, assigned and unassigned elements of General Fund revenues totaled \$6.25 million.⁶ As of July 1, 2011, "free cash" was \$582,327, admittedly the lowest of the past five years. The stabilization fund balance was \$1,781,154 in that year, with a range of \$1.94 to \$1.73 million over the past five years.⁷

The Town's financial statements for FY 2012, ending June 30th of that year, showed the same four General Fund segments (restricted, committed, assigned and unassigned) with a balance of \$7,212,115 and net receivables of \$9,029,098, after discounting uncollected funds.⁸ The Town Manager's memo to the Selectmen and Finance Committee, stated that the "rating agency noted the Town's commitment to sound fiscal policies and strong fiscal management and trust in the officials and professional staff."⁹ In 2012, total building activity reached \$53.7 million, the highest it had been since 2008.¹⁰ Meanwhile, the cost of salaries for employees was held virtually constant, with an increase of \$79,000 from FY 2013 to FY 2014 and the number of Town employees at 123, the second lowest number (lowest was 121) in the past ten years.¹¹ In this same document, the Town noted that, for the past three fiscal years, "(FY2010 – 2013) there were no cost of living adjustments for any Town employee, with the exception of the Fire Union in FY 2011. [During that same time,] Fire Department overtime figure of \$505,000 [was] reduced to \$455,000 with a reallocation to hire one FF/EMT for the tour that previously had five members...."¹²

¹ Union Ex. No. 8.

² Union Ex. No. 10.

³ Union Ex. Nos. 11 and 12.

⁴ Union Ex. No. 13.

⁵ Union Ex. No. 14. "General Obligation Municipal Purpose loan of 2012" for \$22.9 million.

⁶ *Id.*, p. 33. "The town ... has adequate cash on hand to pay back pay...and the capacity to raise revenue to pay future increases." Union brief, p. 14.

⁷ *Id.*, p. 44.

⁸ Union Ex. No. 15, pp. 3 and 22.

⁹ Union Ex. No. 16, pp. 2

¹⁰ *Id.*, p. 4.

¹¹ *Id.*, pp. 10-11.

¹² *Id.*, p. 13

Chatham has a year-round population of 6,125 “that nearly quadruples in the summer months of 25,000,...67 miles of coastline, ...desirable location...high-end residential waterfront development.....The total market value [of residential properties] remains extremely strong ...at \$5.8 billion, [with] per capital market value [of] \$955,0002% in 2011....The town’s unemployment rate averaged 7.2 in 2011, below both the state and national rates.”¹³ This same research projected savings from the new school regionalization plan [under which] ...the town will pay roughly 28% of the [school district budget], a savings of \$2 million from the previous year.”¹⁴ “Standard and Poor’s considers Chatham’s management practices ‘good’...On a per capita basis, when measured against the year-round population, we consider the Town’s debt outstanding high at \$12,898; however, this figure falls to \$3,159 ... when the seasonal population is taken into account.”¹⁵

The Union used comparable towns all within Barnstable County with the exception of Nantucket, which the Union considered had a seasonal population and fiscal characteristics not unlike Chatham. The rest were all full-time departments. The Barnstable data is considered abnormal to the extent it combined the data for the five village departments under the Barnstable umbrella. The list is: Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Nantucket, Orleans, Sandwich, Wellfleet and Yarmouth.¹⁶ By size, Chatham falls in the middle of that population, with Yarmouth at 67 employees and Wellfleet at 8.¹⁷ Likewise, Chatham, at \$2,623.630 is in the mid-range of fire expenses, with Barnstable at \$10 million and Wellfleet at \$1.1 million.¹⁸ As far as assessed valuation is concerned, Chatham is two-thirds to the top, at \$5.7 billion. Nantucket tops the list at \$17 billion and Wellfleet at the bottom, at \$2.1 billion.¹⁹ As for equalized valuation per capita in 2012, Chatham is second on the list at \$1,029,049. Nantucket leads that list at \$1.7 million and Sandwich trails in at \$189,589.²⁰ When it comes to tax levy, Barnstable tops the list at \$100 million, Wellfleet brings up the bottom at \$13.9 million and Chatham, about two-thirds down this list, is \$29.1 million. The average among these comparables was \$43.6 million.²¹ As for population numbers, Barnstable was the most at 44,824 and Wellfleet the lowest at 2,742. Depending on winter/summer figures, Chatham was third from the top at 25,000 in the summer and fourth from the bottom in the winter at 6141.²² The Union also offered an exhibit based on “Municipal Revenue Growth Factor, FY 2014.” Nantucket was the highest at 4.8%; Mashpee was the lowest at 1.9 and the average was 3.16 %. Chatham was less than a quarter point away from that, at 3.27 %.²³

Numerous wage comparisons were offered by the Union. Salary ranges were an important part of that. Taking firefighter/paramedics at top step, Nantucket was highest at \$70,624; Wellfleet was lowest at \$44,980 and the average was \$60,721. Chatham’s figure was \$60,972, about \$250 away from the average and the closest of all communities to the “average” figure. A top step patrolman, night shift, with a MA earns \$68,469; a top step firefighter (Step 6) with

¹³ Union Ex. No. 17, p.2.

¹⁴ *Id.*, p. 3.

¹⁵ *Id.* Chatham and Barnstable have S&P “AAA” ratings. Others are AA+, AA and one AA-. Un. Ex. 25.

¹⁶ Union Ex. No. 18.

¹⁷ Union Ex. No. 19.

¹⁸ Union Ex. No. 20.

¹⁹ Union Ex. No. 21. The “average” assessed value of this list is \$6.1 billion.

²⁰ Union Ex. No. 22.

²¹ Union Ex. No. 23.

²² Union Ex. No. 24.

²³ Union Ex. No. 26.

paramedic and AA credentials, “maxes out” at \$62,772.²⁴ For EMT-1’s at top step, Nantucket again was top at \$70,624 and Wellfleet was on the bottom at \$42,334. The list average was \$57,990; Chatham’s figure was \$58,072. Of the 18 officers, one has an AA degree, 6 have BA degrees and five have MA/MS/JD degrees.²⁵

This led to a comparison of wage increases in the Union’s comparable communities. In the document used, not all communities had completed CBA’s for FY 14 or FY 15. Thus, a generalized comparison must suffice. For FY 13 where all named towns had a figure stated, even though it was zero for Harwich and Eastham, the highest was Wellfleet at 4%, on a split year basis and the lowest, not counting Harwich and Eastham, was Cotuit at 1%. For FY 14, Wellfleet and Yarmouth had no figures showing, but Harwich and Eastham did. Those figures ranges from 1.5% plus \$100 to 3.0%. Towns such as Hyannis and Sandwich had 3% for both years. The average for FY 13 was 1.77% and 2.23% for FY 14.²⁶

Given the cost of health insurance coverage(s), with additions in some places for dental or other incidentals, the highest employer contribution rates was Hyannis at 95%, with Nantucket second at 90%. The lowest was Yarmouth at 50%. There were three towns in the 60-65% range; ten, including Chatham, in the 70-75% range, and one town in the 80-85% range. The overall average for the list was 73.2% contribution.²⁷

Longevity payments vary considerably depending on how the parties have addressed this issue over the years and whether it been negotiated. There is vast divergence on the material submitted; however, it should be noted that the document defines that “payout is the total amount a firefighter would receive during a career of 32 years of service.” By dollar amounts, Harwich was top at \$97,697, Bourne was at the bottom with \$11,300 and the list average was \$37,403. Chatham’s figure was \$33,325.²⁸

Sick leave buy-back is another similar benefit which accrues at the end of the employee’s career, with several variations for death, retirement, some kinds of layoff, etc. Here, Hyannis was top of the list at 50% and no limitations. Brewster was at the bottom of the list at 10% with a 195 day limitation. Chatham, again near the middle, was at 25% with a limit of 165 days.²⁹

Minimum call-back provisions were provided; this is a Union issue in this case. Fourteen towns, including Chatham, have 2 hour minimum call-back, seven of which (including Chatham) have no limitations or qualifications. The have varying qualifiers as to length of time, whether the event falls on an extended/overnight shift, or is for a hospital run compared to “fire alarms and short calls.” The three towns with 3-hours minimums are Falmouth, Eastham and Orleans, but all have qualifiers, such as a lesser time for alarms, or for station coverage, or non-fire events.³⁰

Some towns have, and others do not have, staffing provisions in their CBA. Eight of the listed towns, including Chatham, show no staffing provision language. Those that do reflect on

²⁴ Union Ex. Nos. 27 and 44.

²⁵ Union Ex. Nos. 28, 42 and 43. One of the MA holders receives the “detective stipend.”

²⁶ Union Ex. No. 29. The Union argues that comparable community data should prevail. Brief, p. 11.

²⁷ Union Ex. No. 30.

²⁸ Union Ex. No. 31.

²⁹ Union Ex. No. 32. The Union’s most recent suggestion for stipends may be found at Union Ex. No. 55.

³⁰ Union Ex. No. 33. All communities listed had some kind of call back policy.

equipment coverage, station coverage or days of week coverage levels (e.g., 1 officer and 3 FF at HQ, or 10/shift including 1 officer).show number of paramedics on shift, or equipment, etc.³¹

Stipends are another benefit, but like staffing, nine of the listed towns have no such provisions. Chatham already has provisions certain stipends: Fire Prevention education, EMS Coordinator, SCBU (with no "U") Maintenance, and Training Officer. The current stipends for personnel in Chatham provide \$1500 to \$2000 per year for the employee's particular where the dollar amounts are more that many of the dollar-denominated stipends in other departments, the EMS officer in Harwich being an exception at \$7,200. Other departments denominate the stipend as a percentage of the employee's salary, e.g., Fire Prevention, 30%, Mechanic 10%, etc.³²

One of the topics at issue here is the matter of longevity pay. It appears in the current CBA at Article XVII, for years 6 through 25.³³ It is also a component of the Town's "Revised Town Proposals."³⁴ The Chatham Police Union, MCOP Local 294 has a CBA with the Town. That contract contains a longevity pay provision at Article XXI. It is in two parts, one for "employees" and another for "employees hired after the ratification of this agreement."³⁵

A benefit formerly supported by the Commonwealth was the educational incentive for police officers, commonly referred to as the "Quinn Bill." While there was a period when this action caused a suspension in that benefit, equivalent to \$3,409 per officer participating, it has since been restored, as of 2013. With this in mind, the Union stresses that this was a recapturing of a benefit for police officers but not for firefighters. The Union's data claims this was worth 2.6% in 2013, 2.3% in 2014 and 5% in 2015.³⁶

The Union referred to the legislative action taken by the Commonwealth and effective July 1, 2011 as to health care benefits. By letter, undated by apparently written in 2011, HR Director Panuczak informed Town employees that the Commonwealth's "will ultimately affect Chatham benefits for FY 2013, beginning July 1, 2012. Chatham procures benefits through Cape Cod Municipal Health Group (CCMHG) ... to take advantage of greater purchasing power.... The greatest impact of this legislation is to allow joint purchase groups such as CCMHG to change co-payments and deductibles to the level of the Group Insurance Commission (GIC) most used plan, without collective bargaining."³⁷ There followed a one page chart with 4 Harvard Pilgrim plans, and 4 BCBS (Blue Cross) plans, all with a 70% - 30% cost sharing formula. The HP HMO was \$558.00 single, \$1,116.00 single parent/single child, and \$1492.00 for family. Likewise, there was an explanation about Eye and Dental plans, at the single, two person and family plan levels.

The foregoing exhibit was augmented with a 2013 "update" letter (again undated but apparently written in 2013) which provided a fee schedule for July 1, 2013 to June 30, 2014. The

³¹ Union Ex. No. 34.

³² Union Ex. No. 35.

³³ Union Ex. No. 1, p. 21.

³⁴ a/k/a Town Ex. No. 29.

³⁵ Union Ex. No. 38. The Manager's Memo to Selectmen about ratification of the police CBA is also helpful in identifying language that changed, or did not change in the Police successor CBA, notably about longevity pay and stipends.. See Union Ex. No. 39. pp. 1-3.

³⁶ Union Ex. No. 45. There was a 2.6% increase as part of Step 8; a 1.8% increase and a 0.5% COLA as part of Step 9 and a 5% (projected) from a 2.0% increase and a 3.0% COLA from the growth formula. The new steps and Quinn Bill restoration language may be found at Union Ex. No. 39, page 2, Items 20-21-A. Also see Union brief, pp. 10-11 which discusses the Quinn Bill ramifications.

³⁷ Union Ex. No. 54.

70% - 30% formula remained the same. Using the same provider, the HP HMO, only because it was at the top of the page and without other purposes, the single monthly premium was \$607.00; single parent/single child was \$1,214.00, and family was \$1,624.00.³⁸

In its post-hearing brief, the Union observed that a 1% raise in “fire base wages costs about \$20,645....An award ... implemented toward the end of FY 14...[including] a two-year retroactive payment of 2%...will cost \$41,290 for each year of the contract [and] 2 ½ % in FY-14 will add \$51,612 for one year.”³⁹ “The Town has cash available to cover the retroactive payment...[per the testimony of Finance Director Alex Heilala]...and has the revenue growth to cover the increased contract cost of \$144,514.”⁴⁰

Finally, the Union asserts “there is no justification for the Town’s wage proposals. [If wage increases were to be determined by the Municipal Revenue Growth Factor} which we have noted was most recently 3.27%....The second alternative proposal of 0%, 0.5% and 2.5% is equally unsupportable ... far below what is happening in comparable towns, shockingly below the 17% granted to the Chatham Police...The selectmen;s ‘ultraconservative’ ideology is so far from the reality of the statutory criteria that it must be simply rejected.”⁴¹

Position of the Town:

The Town explained that the Fire Department CBA, in the form of a MOA,⁴² expired on June 30, 2012. In the course of negotiating successor agreements with its various unions, it has attempted to be consistent with all of them. It has attempted to obtain settlement about where and how to reduce benefits, with emphasis on the benefits package for new employees, thus the appearance of 65%-35% language for dividing health care costs for those new employees. For example, as part of an internal comparison, the Town has identified three bargaining entities⁴³. Chatham Municipal Employees Association settled on 0 % for FY 2013; 0.5 % for FY 2014; and 1% for FY 2015. The Police Dispatchers and Police Patrol/Sergeants, in their respective bargaining units, both settled for 0 % FY 2013; 0.5% FY 2014; and 3% for FY 2015. All three units reduced longevity benefits for new employees and eliminated sick leave buy-back for those new employees. The Town and its citizenry believe that the only justification for a wage increase is a change in internal comparables or external comparables. As for the logic if the police department gets to keep its Quinn Bill benefits, then that is justification for the firefighters to get a raise, too, is faulty logic, already rejected in Scituate.

As recently as the submission of its post-hearing brief, the Town described its wage proposal in the alternative: either as determined by “local revenue analysis” with no increase July 1, 2012, a COLA effective July 1, 2013 based on the increase or decrease of local receipts, investments and recurring income, capped at a maximum of 3%, OR a fixed amount approach of

³⁸ *Id.*

³⁹ Union brief, p. 14.

⁴⁰ Union brief, pp 15-17, also referencing a \$2 million savings from the “regionalization” of local schools, and the fact that police settlements “have cost the Town vastly more than the proposed Fire contract....The top step police officer will enjoy a wage increase of 9.9% ”during the three years of the proposed Fire contract.

⁴¹ Union brief, p. 18.

⁴² Union Ex. No. 2 (unsigned).

⁴³ Town Ex. No. 18.

FY 2013 of 0%, FY 2014 of 0.5%, and FY 2015 2.5%.⁴⁴ The “local growth” approach, the first of the two options above, was selected by the Chatham police union and dispatchers union.⁴⁵

The Town rejects the notion that it is a very wealthy community. This conclusion is reached only due to the high property values of landowners and is not supported by their willingness or ability to pay higher taxes. People who live and work in Chatham year round are very different from people who own high-value property in the community. Many of the twelve-month residents work very hard for 2 ½ to 3 months so they can “hang on” the rest of the year. Fishermen, too, are facing hardships from smaller catches and more restrictions on this occupation.

In 2011, Municipal Resources, Inc., of Meredith, NH, created a very detailed “Fire Service Organizational Analysis” for the Town, some 113 pages in length, the first 15 of which were submitted as an exhibit in these proceedings.⁴⁶ The first two paragraphs of the “Executive Summary” said:

The Town of Chatham...covers 24.4 square miles (16.2 [of which] consists of land) and has a base year round population of 6,547. Based upon the seasonal nature of community, population swells to more than 25,000 residents and visitors during the summer months. As the peak season has elongated over the years, weekends also see a tremendous increase in population. Demographics indicate that Chatham has an older than average permanent resident population. 52% of residences in the community are presently second homes[,] although at least one study indicates a trend toward an increase in primary housing is underway.

The Town is served by a combination fire service organization, composed of 27 full-time personnel, including the Chief...a Deputy Chief ...and a fire inspector. The on-call component of the organization consists of 6 personnel. Availability of on-call personnel for weekday, daytime response is marginal. During our visits to Chatham[,] we were impressed with the ingenuity of Department members and their willingness to become involved in specialized projects as the organization has evolved. The organization has been carried by the strength and innovation of its personnel who have worked to maximize limited resources and provide a valuable service to the community. Emergency operations are well regarded by the public who feel the Department provides a high quality public safety service. In fact, based on the public meetings we conducted, three clear themes emerged:

- The community as a whole supports the Department;
- The public does not want to see the level of service diminished; and
- The citizens present indicated they are willing to pay more for reasonable increases in service level.

There are approximately 5,000 registered voters, a large number of whom are senior citizens, people who struggle with debt burdens, and others for whom paying large bills, of

⁴⁴ Town brief, pp. 1-2. “This reflects the wage pattern bargained with all other Town employees. *Id.*, p.7. Selection of the local revenue growth option ties future wages increases to those resources. *Id.*, pp. 6-7.

⁴⁵ Town brief, p. 6., resulting in a 0.5% increase in FY 2014 and 3.0% in FY 2015 (7/1/14).

⁴⁶ Town Ex. No. 20. This was a thorough and extremely well-prepared document that discussed its own methodology and set forth recommendations in 12 categories identified in the index.

whatever nature, is difficult. This is cause of the arbitration panel in this case to rely on what has been done with the other town unions, both as to settlements and the conscious effort to reduce benefit levels for new employees. Those settlements do not represent an unreasonable amount of "take backs" from the existing employees.

Speaking to the Union's selection of comparable communities, the Town's identification of its comparables relies solely on Barnstable County, some of which are geographically isolated and all have seasonal levels of activity. Nantucket is in a separate county and is a "world unto itself." It has \$7 billion in property value and a "very high cost of living." Its tax burden is 70% higher than Chatham. It cannot profit from mutual aide assistance from other departments..

As for external comparables, the Town turned to Barnstable County exclusively.⁴⁷ Those communities are: Barnstable, Bourne, Brewster, COMM Fire, Cotuit, Dennis, Eastham, Falmouth, Harwich, Hyannis, Mashpee, Orleans, Sandwich, Wellfleet (w/o any EMT/Para stipend), West Barnstable, and Yarmouth. This document compares maximum (or maximum-equivalent) salaries with Chatham in three areas, 10 year step/FF, 10 yr. w/ EMT, and 10 yr. w/ paramedic. In FF step only, Brewster was lowest at \$49,861 and COMM Fire at \$65,236. The average for that list was \$55,395; Chatham placed at \$55,172, less than one-half percent below that average. For FF w/ EMT, Brewster again was lowest at \$49,861 and COMM Fire was highest at \$66,601. The average was \$56,870; Chatham was \$58,072, about 2% above that average. For the FF/Paramedic step, Wellfleet was lowest at \$53,183; COMM Fire again was highest at \$69,703. The average was \$60,399; Chatham was \$60,972, almost 1 % above the average.

Internally again, comparing the Chatham Fire Department to the Police Department, as of June 30, 2012, shows the firefighter base at \$55,172 and the police at \$55,564. When it comes to "add ons," the police show no amounts. For firefighters, with EMT qualification, they get an additional \$2,700 per year. With a paramedic certification, they get an extra \$5,400 per year. So, with the added certification pay, the FF/EMT gets \$57,872 and the FF/Para gets \$60,572, both ahead of the \$55,564 of the police officer. There is also the issue of holiday pay, 12 days for both police and fire. FF/EMT's get \$317.11 a day or \$3,805. FF/Para gets \$331.90 or \$3,983. Police, all get the same rate, \$228 per day or \$2,740. Putting all these together, a FF/EMT gets \$61,677; and a FF/Para gets \$64,555. The police officer gets \$58,304 so that the FF/EMT is 5.79% above the police officer and the FF/Para is 10.72% above.⁴⁸

In support of its middle class, working-to-make-a-living description of its year-round population, the Town showed where this population has changed little since 1980, from 6,017 then to 6,154 in September of 2012. Its growth projection for 2020 runs from 6,430 to 7335. It is a predominantly a White population, by 96.1 %, which is aging and staying there. The average age was 53.9 in 2000; it was 58.9 in 2010, which is considerably older than some neighboring communities. "Baby boomers" now account for about one-third of the population while the school age population has dropped 24% from 1990 to 2010 and college-age residents dropped by 37.8% during that same period. The number of households went from 3160 in 2000 to 3085 in 2010. Average household income in 2010 was \$65,990, with about 45% of all income coming from \$75,000 to the above-\$150,000 categories. "The level of higher-income households earning more than \$75,000 was comparable to the state at 44.4% as opposed to ... the County level of

⁴⁷ Town Ex. No. 17.

⁴⁸ Town Ex. No. 19

35.7 %.⁴⁹ From the working-class environment, the average weekly wage was \$726.00 which matches, at least in part, the 517 households which are occupied by renters.

In conjunction with the very positive observations by Standard and Poor's, above, the Town introduced its Budget and Financial Management Policies.⁵⁰ It thoroughly addresses recurring revenues and recurring expenses, defining both, and doing the same for revenue policies and expense policies. It calls for "adequate financial reserves...with flexibility and security" and details both the Stabilization Fund (which it "shall maintain") and the Finance Committee Reserve Fund in accordance with Massachusetts GL, Ch. 40, § 6.⁵¹

Employment statistics are, in a broad sense, are not good. Chatham had the highest unemployment rate in the past ten years, from 2003 to 2013, at 10.2 %. The next highest rates were in the 7 % area between 2008 - 2010.⁵²

The Town Manager's FY 2014 Budget Summary was updated on February 1, 2013. It optimistically addresses such issues as new residential construction, for which the average cost has jumped from \$375,000 ten years ago to \$775,000 in 2012. The number of these new homes was the highest it has been in the past five years, 37 units in 2012, with a cost of \$28,684,000. This supported a new growth figure of \$200,000 plus \$593,452 allowed by Proposition 2½ so that the Town may raise \$793,452 in additional property taxes⁵³. Chatham's assessed valuation changed 140.86% from FY 1999 to FY 2012, twenty-five points over the average. At the same time, its Cherry Sheet Aid as a percent of its budget was only 0.49%, a tenth of the average (5).⁵⁴

The Town Manager's assessment of the voter sentiment, difficulty in funding projects which involve increases in property taxes, and impact of the permanent, voting population versus the overall population in the summer months occurred during her testimony before the panel. It was artfully summarized in the Town's brief:⁵⁵

The demographic and economic indicators for the year-round residents stand in stark contrast to the admittedly wealthy population that own summer homes in Chatham...the Panel should carefully consider the tax burden on that year-round population, as well as the fact that it is the 6,000 year-round residents that are voters in Chatham, not the 19,000 summer residents. The voting populace of Chatham is very conservative, as are their elected officials ... [That conservatism is substantially driven by substantial increases in property taxes. The average single family tax bill is \$3,970, which is 29% above the average for Cape Cod/Barnstable County towns....] That conservatism is not based on frugality or unwillingness to fairly compensate employees, rather, it is based on the fact that voters in Chatham are substantially older on average than other communities... likely on fixed incomes.

⁴⁹ Town Ex. No. 1, pp. 14.-16 It is noted that Town Ex. Nos. 1-13 appear in its brief, pp. 8-11.

⁵⁰ Town Ex. No. 2.

⁵¹ *Id.*, FY 2012 free cash is \$582,328 (1.42%); stabilization fund is \$1,781,154 (4.34%) Town Ex. No. 5. Plus, Chatham had \$433,619 in excess levy capacity while the average was \$224,682. Town Ex. No. 7

⁵² Town Ex. No. 3.

⁵³ Town Ex. No. 4. Debt obligations are due to decline in 2015; the Town will use "debt drop off" from that to help with its last capital project, the new fire station (see Union Ex. No. 56) plus growth in hotel/motel local taxes and tax options for the meals tax.

⁵⁴ Town Ex. No. 7.

⁵⁵ Town brief, pp. 10-11

Chatham's financial policies reflect the conservatism of its voters. The Town funds its personnel costs only through recurring revenues, and not through one-time sources such as free cash or the stabilization fund.

Staffing levels in Town government have been steady at 123 employees over several years, in addition to the prudent efforts to reduce and eliminate fire department OT by hiring one FF/Para from funds previously used for Fire Department OT. Thus, as to budget increases for non-discretionary fixed costs, this shows \$49,500 for police overtime FY 2014 but none for the Fire Department.⁵⁶ This is an important move for the Department, since it appears that OT costs are diminishing from \$515,920 in FY 2012, to \$588,917 for FY 2013, but only \$233,104 for the first half of FY 2014....or \$466,000 if the trend holds for the remainder of the year.⁵⁷

The Town presented the BLS (Bureau of Labor Statistics, USDOL) consumer price index release of December 17, 2013. For the Boston-Brockton-Nashua area, these prices rose 0.9 % over the past twelve months.⁵⁸

Chatham's FY 2012 "total debt service" was \$6,156,822, 14.99% its budget. The average among the Town's comparables was 11.91% based on \$8,334,805. Outstanding debt as of 7/1/2012 was \$36,688,897; the average among the comparables was \$40,165,028.⁵⁹

Tax policy in Chatham has followed a drop off in value of single family homes. In 2010, those homes were valued at \$4.9 billion with an average value of \$861,926. In 2014, they were valued at \$4.5 billion with an average value of 781,464. Thus (and as might be expected), the tax rate in 2010 was \$3.82 and grew to \$5.08 in 2014. Even with that, the family's average tax bill in 2010 was \$3,293 versus \$3,970 in 2014. The exhibit calculates that to be 21.37% in 5 years.⁶⁰

Meanwhile, the Massachusetts DOR , Division of Local Services says Chatham has per capita general fund expenditures of \$428.35, second only to Wellfleet at \$428.39 and is above what would be the Barnstable County average of \$248.56.⁶¹ As a percentage of total local expenditures for police and fire, as a percentage of general fund expenditures, the "cape towns" average is 8.11% for police and 6.38% for fire. In that context, Chatham's police average is 5.92% and fire average is 7.72%.⁶² Virtually the same result appears on Town # 13, except that the police average thereon is 7.69% and the fire average is 7.34%. The Town's figures remain unchanged. Using either set of numbers, the overall result is unchanged.⁶³

The Chatham Fire Department 2014 operating budget shows a smaller budget for that year (\$2,716,342) than for 2013 (\$2,726,247), until one takes notice of a \$146,678 "supplemental request." That brings the total \$2,863,020, which is the largest amount from FY 2011 forward. At \$2,863,020, both the personal services and expense portions of the budget are the highest of any of the years on this exhibit.⁶⁴ Elsewhere, the Town took issue with the Union's proposal to adopt

⁵⁶ Town Ex. No. 4, pp. 10-13.

⁵⁷ Town Ex. No. 27.

⁵⁸ Town Ex. No. 6, with the index using all items less food and energy

⁵⁹ Town Ex. No. 8.

⁶⁰ Town Ex. Nos. 9 and 10. This placed Chatham 29% above the county-wide average tax bill of \$3,970.

⁶¹ Town Ex. No. 11. A later figure suggested that this was updated to \$280.65.

⁶² Town Ex. No. 12.

⁶³ Town Ex. No. 13

⁶⁴ Town Ex. No. 14.

“per piece” manning or staffing,, citing the new costs that would impose. This would cost between \$73,128 and \$76,028 each, per year, depending on if the employee were a FF/EMT or FF/Paramedic. Those costs include holiday pay, insurance (at 65%), and protective equipment.⁶⁵

The Town reported the salaries of the various members in the department, from highest to lowest paid, both as to regular compensation and to total compensation after overtime, longevity, and details. Considering “salaries only” and excluding the chief, they ranged from \$101,651 to \$59,264, with the average being \$71,232. When the OT, longevity and details are added, that same range goes from a high of \$133,611 to a low of \$68,683, with an average of \$98,980.⁶⁶ The second part of this exhibit compares the base, overtime, longevity and detail income for all Town employees. Taking the twenty highest paid of those employees, by “total” compensation, six of those positions are firefighters and nine are police positions. The range of the top twenty employees goes from \$169,865 to \$112,764. Non-officer, “ordinary” firefighters were among that “top twenty” list. Within the Fire Department itself and excluding any job higher than captain, “total” compensation ranged from \$124,867 to \$62,751. The average from this grouping was \$96,110.⁶⁷

The Town presented an analysis of building fires in Chatham, from 2008 to 2013. The number of building fires have decreased in number, from 18 in 2008, to 12 in 2013, which, as a percentage, went from a high of 0.71 % of total incidents and 0.43 %. By dollar damages, the losses went from a low of \$7,800 to \$3,775,255. The \$7,800 was a 9.69% loss; a \$25,100 fire was a 100% loss and the \$3 million fire was a 99.60% loss.⁶⁸

The Department also presented a three-page exhibit of “Incident Type Period Comparisons,” for CY 2010, 2011, 2012 and 2013, categorized by numbered codes, from 111 to 911 (but not consecutively). These statistics show that “the fire business was up,” showing increases in each year, from oldest (2409), to middle years (2667 and 2598), and 2013 (2688). It should be noted that these refer to incidents requiring fire services, from citizen complaints to EMS with or without transport, to HazMat issues and bomb removals.⁶⁹ The increase in incidents and responses from the Department produced increases in the “cost of doing business.” The Department budget went from \$2,622,941 in FY 12, to \$2,828,396 in FY 13, to \$2,960,633 (budgeted) for 2014 and \$2,965,352 (requested) for 2015. This same source also identifies the most used service -- medical services. Medical incidents account for “about 61% of total incidents.”⁷⁰

The Department knows the importance of using its officers to its best advantage as well as making sure the lines of communication are open and available to provide mutual aid. Seven officers, both captains and lieutenants, are assigned as Preplan Officer, Standard Operating Procedure (SOP) Officer, House Office, Apparatus/Equipment Officer, Health & Safety Officer, Communications Officer and Training Officer.⁷¹ As an example of the importance of training, the Town submitted the SOP for 2 In/ 2 Out Operations when operating in and around Immediate Danger to Life and Health (IDLH) environments.⁷² Means of attacking fires, knowing when to

⁶⁵ Town Ex. No. 28.

⁶⁶ Town Ex. No. 15. This does not include two new “partial-year” firefighters.

⁶⁷ Town Ex. No. 16.

⁶⁸ Town Ex. No. 22.

⁶⁹ Town Ex. No. 23.

⁷⁰ Town Ex. No. 24.

⁷¹ Town Ex. No. 25.

⁷² Town Ex. No. 26.

declare a MAYDAY, knowing what special actions/equipment needs to be used, and the full utilization of RIT (Rapid Intervention Teams) are all part of the everyday environment in 21st Century fire fighting.

With respect to the, Union's proposal, the Town asserts that "the external comparable wage data from both shows that Chatham firefighters are compensated fairly as compared to their peers in other communities. Given that Chatham's financial resources are also at or below the average for the appropriate universe of comparable communities, there is no justification for the Panel to award a wage package in excess of the Town's proposal."⁷³

Panel's Award:

Several observations preliminarily: Readers should not be alarmed that the legislated requirements of Chapter 589 of the Acts of 1987, as amended, some eleven in number, do not re-appear here. The panel was mindful of them and noted that both post-hearing briefs recited them.⁷⁴ They need not be reiterated here. Their provisions were the topic of discussion and analysis by the panel members, balancing of interests between various departments, e.g., the police department in particular, and comparability data within and outside the Town. Needs of the population, costs currently and the Town's ability to meet those costs, the interests, needs and welfare of the public, wages and benefits being paid to the bargaining unit members and others, and various indices, such as the cost of living and inflation, these and more were all topics of discussion by the panel members.

Following in those footsteps, readers may notice that the introduction and financial data, related to wages, costs, and comparability, has already occupied half of the content of this report. As to issues following Issue 1, if data relating to Issue 1 has appeared in Issue 1, it will not be repeated in subsequent issues. The data will be assumed to be cumulative and absorbed, if and as appropriate, for consideration in assessing and determining the awards for subsequent issues. As is well known to those who are familiar with this type of proceeding, the "heaviest lifting" unquestionably involves financial issues and the biggest financial issue usually involves salaries, followed by the high-cost "job benefits" category. This will be the case here, with the disclaimer that the order of presentation of the issues presented to the panel is as formulated by the JLMC and sent to the panel members.

Faced with a number of new demands, new concepts, potentially new expenses and something more than a stringent level of fiscal concern among the population, the panel sought to meet the concerns and needs of (1) the bargaining unit members, (2) the Fire Department as an administrative entity, (3) the Town as the ultimate employer and approval authority for expenditures, and, most certainly, (4) the population who relies on police and fire departments for their safety and well-being. While there were several themes utilized by both sides, a short synopsis might characterize the employer's version as being concerned about taking care of its employees but not terribly interested in spending additional funds to do so, especially if it happened to involve a disproportionate amount more than that spent for other town entities, both organized and unorganized. This gives the appearance that the ultimate resolution should to be consistent with what has already done for other town employees, comparison-based rather than solution-based.

⁷³ Town brief, p. 12.

⁷⁴ Union brief, pp. 3-4; Town brief, pp. 3-4, coincidentally.

The Union's "short synopsis" theme might be described as "we're being left behind, the police department has jumped ahead of us,"⁷⁵ we could be falling lower and lower among comparable communities on the Cape, we don't want to lose what we already have, and we really would not like to be bargaining away rights for unit members who have yet to be hired because this will create a disparity among the workforce for personnel who work shoulder-to-shoulder when times are tense and every minute counts."

As the panel considered these and other concerns presented by both parties, we tried to prioritize the various issues. This, of course, kept the matter of wages and duration at the top of the list. As noted elsewhere,⁷⁶ "Cape-wise" the general wage increases were: FY-13, 1.77%; FY-14, 2.23% and FY-15, 2.5%. Within the Town, the police department comparison⁷⁷ was: FY-13, 2.6% (none of which was COLA); FY-14, 1.8% (not counting an additional .5% as part of a COLA), and FY-15, 2% (not including an additional projected 3% COLA from "growth formula" revenues). If each is added up and divided by 3 years, the average increases over those three years is comparable between the two variables: the police department and "Cape-wise" statistics.

For purpose of the Award in this issue, and using the foregoing skeleton as a base, the settlement for this bargaining unit shall be: (1) Year 1, FY-13, effective July 1, 2012 and intended to mirror the police department increase, a new step at 2.6% above the then current top step; (2) Year 2, FY-14, effective July 1, 2013, a new step at 1.8% above the then current top step, i.e., a new Step 8; (3) Year 3, FY-15, effective July 1, 2014, a new step at 2% above the then top step, i.e., a new Step 9; (4) for those years in which COLA's were or will be involved, presumably in an across-the-board manner as opposed to attaining a new top-step rate, comparability will be applied to members of the fire fighters bargaining unit who shall receive the COLA's, whether current or back dated, in the same amounts, quantity, and time (to the extent possible) as police department personnel, (it being recognized that, as an example, growth formula revenues may or may not equal 3% in FY 2015) ; and (5) the annual stipend for EMT's and Paramedics will each be increased by \$200 on or before July 1, 2014, bringing those annual stipends for EMT's to \$3,100 and for Paramedics to \$6,000, respectively, and being mindful that these parties may seek negotiations for a successor agreement as early as this Fall. The Municipal Growth Factor is awarded to determine COLA's in this contract and future contracts unless it is modified by the parties.

Issue 2

Contract Article XI

Vacation: "2-at-Once"

Position of the Union:

Current contract language, i.e., Article XI, Section 4, speaks to the issue of scheduling vacations. In particular, Section 4 states that scheduling vacations "is subject to approval by the Chief." It continues, "Only one shall be granted a single vacation tour on any given shift. Multiple requests shall be resolved on the order of receipt, and if received on the same date, by seniority..."

⁷⁵ With particular reference to the rebirth of the Quinn Bill revenues and benefits to police personnel.

⁷⁶ Union ex. 29, without Nantucket in the "universe".

⁷⁷ Union ex. 45.

The Union seeks to modify this to “two employees” because, “with 24 employees carrying from 2 to 5 weeks of vacation per year, the choice of vacation time is severely limited when only one is allowed off.”⁷⁸ With the chief’s approval, more than one employee might be on vacation at one time, with the result of meeting both employees’ vacation needs and avoiding the probability of having accrued vacation time bundle up and carried forward under Section 5.

Position of the Town:

The Town argued there is no justification for granting this proposal, because the Union failed to show that employees currently have any difficulty taking their vacations under the current CBA. On the other hand, the Town argued that granting this proposal would increase overtime costs, especially over the summer months when the Chief maintains “full coverage.” This could potentially double summer overtime costs from July to September. This is significant because summer overtime cost now averages \$170,000 per summer season, over the past three years. This would be a 67% increase in the department’s overall overtime budget which is currently \$505,000. There is no evidence that the present procedures are inadequate.⁷⁹

Panel’s Award:

The contract language should remain unchanged. To be sure, there is an argument to be made that this change would be welcomed by some, if not all, bargaining unit members. But, if it were made, the uncertainties of uncontrolled overtime costs could gyrate to levels not yet contemplated by the Fire Department itself or those members of Town government that had to find means to fund this change. (Sixty-seven percent may or may not be an accurate estimate, but it does convey that it would be a meaningful in annual costs for this item.) On the other side of the coin, as nice as it would be to have more personnel with vacation time between June and October, as the Town noted, the present scheme is working. These bargaining unit members have an active history of being able to arrange “swaps” with fellow personnel. The present system, while not perfect, certainly is not broken.

Issue 3

Contract Article XIX, Sec. 3

Stipends: Expand Coverage for More Functions

Position of the Union:

Article XIX, of the contract addresses “Compensation.” Section 3, (E) to (J) of that document further addresses additional payments, or stipends⁸⁰ for items such as training coordinator, ad hoc designated instructors, fire prevention education coordinator, EMS coordinator, and SCBA maintenance officer. Adjustments to this scale both recognizes the growing complexities of these specialties and simultaneously recognizes the importance of the work these individuals perform, allowing for individualized adjustments consistent with the marketplace.

⁷⁸ Union brief, p. 22.

⁷⁹ Town brief, pp. 19-20.

⁸⁰ By way of example, see Union Ex. No. 35.

Modifications in these procedures within the Chatham Fire Department may be by increased financial incentives and/or by the addition of additional specialties, as becomes necessary.⁸¹

Position of the Town

The Town opposes this proposal with the single observation: "The sole evidence introduced regarding this subject, Union Ex. No. 35, shows that Chatham firefighters do receive stipends for various responsibilities, and that those stipends exceed the amount of stipends granted in other Barnstable County Towns. The panel should reject the proposal."⁸²

Panel's Award:

There was an adjustment to EMT and Paramedic annual stipends, as directed in Issue 1. The CBA, in what looks like a from-time-to-time updating process, has addressed many variations of specialized training, approved purposes for reimbursement, directed expenses related to certain training programs/opportunities, etc. There is a repository of information about these various types, purposes and reasons for additional compensation. It happens to be contained in the CBA and is working effectively from that location. Given that observation and past practice, there is no need for new contract language or the creation of a procedure that would amend or replace what now appears in the CBA. That shows that these matters have been and can be matters of negotiation and can be resolved by contract language. We recommend no change to the current procedures or to the contract language.

Issue 4

Contract Article X

Overtime: 3-hour Callback Minimum

Position of the Union:

In support of this proposal, the Union notes that the current CBA has a minimum callback guarantee of two (2) hours under Article X, Section 3. That language now reads: In the event that bargaining unit employees are called in to return to work during scheduled time off, they shall receive a minimum of two (2) hours pay at the time-and-one-half rate, except that if called in within one (1) hour of shift starting time, they shall be paid overtime as outlined in subparagraph (A) below.

The Union proposes changing this language to three (3) hours. It suggests that "two hours' pay is insufficient compensation for the disruption of routine and time consumed in responding to overtime calls."⁸³ Citing comparability data, the Union says, of its 17 comparables, that seven have 2 hour minimums, but ten have greater minimums, with add-ons or otherwise calculated stipends for more contested times, e.g. evenings and holidays, where personal or

⁸¹ The Union (brief, p. 23.) cites the decision of Arbitrator Altman in the Falmouth case, i.e., awarding \$500 increases to certain individuals, suggesting that these increases are not part of a general wage scale.

⁸² Town brief, p. 20. The Town also submitted an exhibit (No. 25) detailing 7 "officer assignments."

⁸³ Union brief, p. 20.

family commitments have already been made. Finally, some comparables have three-hour minimums, but have reduced guarantees for certain functions or hours.⁸⁴

Position of the Town:

The Town observes that the current language appears to be “well within the norm for Barnstable County” with the figure of two hours, and, thus, there is no need for a change.⁸⁵ Notwithstanding this, it is aware that some towns have increased minimum callback guarantees for certain times, e.g., overnight hours, naming, in particular, Falmouth, Dennis, Hyannis and Cotuit.

The Town also informed the panel that the parties, when negotiating, did discuss a modified proposal whereby there would be a three-hour minimum for the hours between 11:00 p.m. and 7:00 a.m. when personnel were being called in/responding to a call during overnight hours and thus disrupting their sleep.

Panel’s Award:

After reviewing all the data and the exhibits, we can find no reason to make the change to three-hour shifts for all overtime shifts/events/activities. The Town’s representation that this matter was discussed between the parties for certain late-night or overnight hours means that it has not escaped their attention. If this is of on-going interest to the parties, they need to make it part of negotiations with proposals and counter-proposals for what should be modified, as opposed to a broad-based change that all overtime shifts must be enlarged to a three-hour duration, needed or not. Union Ex. No. 33 shows over 70% of the departments at two hours. That would suggest a slight change to where three-hour overtime shifts are justified, not a condition where every overtime shifts becomes three hours.

Issue No. 5

Contract Article (new)

Staffing Alarm Responses, by equipment: 4/truck, 3/ambulance

Position of the Union:

The Union is seeking staffing by equipment due to the load imposed on responding personnel, whether for fires, ambulance, or otherwise. This is not the case now; the Chief assigns personnel as required depending on the season, the conditions, and the needs, both of the department and the community it serves. The Union is looking for a means by which staffing levels can be just that, “level,” as opposed to responding to emergency or unforeseen circumstances.

In support of its position, the Union references the fact that 60-65% of all calls are for emergency medical services/ambulance transport. “The Town’s data indicates that of 1635 medical calls, 534 were basic life support calls requiring two responders; 833 calls were for

⁸⁴ See Union Ex. No. 33.

⁸⁵ Town brief, p. 20.

advanced life support requiring three responders. When the ambulance leaves town with a medical transport, the Department calls back personnel to cover the absence of the initial responders. The Chief testified that [about] 25% of the medical calls overlapped so that two ambulances were in use/away from the station at the same time....[While] the Town [said] it commits to its staffing levels particularly in the summer”, there is no such contractual commitment.⁸⁶ Doing the math, in the summer, there are six firefighters on duty with one assigned to dispatch; the rest of the year the figure is six but allowed to fall to five if someone is absent, thus leaving only 4 as responders.

Thus, the Union is seeking a commitment, as part of the CBA, as to the number of firefighters assigned to a piece of equipment responding to an alarm. It believes that a commitment of three firefighters on the truck/pumper and two on the ambulance would “be a commitment to the present practice, at least when there [are] six firefighters on duty. When it examined its 17 comparable towns,⁸⁷ the Union found nine with staffing provisions, ranging from shift staffing, to station staffing, to per-piece responding staffing, to commitment call back to fill vacancies.

Position of the Town:

The Town urges rejection of this proposal because staffing and assignment “are inherent management rights” pursuant to G. L. c. 150E Sec. 6 or under Chapter 589. “Some firefighter unions have attempted to justify per piece staffing in the interest arbitration process on the basis of firefighter safety as a working condition, [but] here the Union has failed to introduce any evidence that firefighter safety would be enhanced under the current proposal [or]...that their safety is compromised under the current deployment practices.”⁸⁸

If the panel were to consider this proposal, the Town asks that it recall Chief Ambriscoe’s testimony, relating to the current staffing of 6 personnel in the summer and 5 the remainder of the year, then the department would only be able to deploy the ambulance or the engine/pumper and would have to wait for additional firefighters to be called in before it could deploy a second vehicle. If it were the ambulance that was first deployed, they would be no capability to suppress an on-going fire at the scene.⁸⁹

If a minimal per-piece-of-equipment clause were to be mandated, at the present response level, the Town estimates it would have to increase the current overall staffing at a cost of \$73,128 per firefighter, even at the EMT level. Over the four employment groups/shifts, this would have an annual impact of \$585,000. Besides being expensive, the Union proposal is not practical because the Town would only be able to deploy one engine until additional personnel were called in, leaving the ambulance without enough staffing to response, either to the fire or to an unrelated medical emergency/transport.⁹⁰

⁸⁶ Union brief, p. 21.

⁸⁷ Union brief, p. 22 and Union Ex. 34.

⁸⁸ Town brief, p. 20.

⁸⁹ Town brief, p. 21

⁹⁰ *Id.* and Town Ex. 28.

Panel's Award:

This proposal is one of those proposals that looks wonderful on paper, with more help, quicker response times, abilities to confront fire calls and ambulance calls simultaneously, and a greater feeling of confidence and safety among the populace. But, here the devil is in the details, as someone once said. The un-rebutted, not disputed cost estimate from the Town was \$585,000, presumably annually using current figures, noting that the amount would be even higher if paramedics were needed to fill the vacancies.⁹¹ One could calculate that, if the Union asked for this benefit with a *quid pro quo* of promising to seek no wage increases for the next ten years, it still would not be profitable/less expensive than the current way of doing business.

If there really were a problem with the "current way of doing business," it would be better addressed by a more flexible "call" roster or a recall list, where a current firefighter is paid a fraction of his regular shift pay to stay within a certain area (on a non-scheduled work day) and remains available at the station house within so many minutes. The same employees get a small boost in pay, (some employees may not want this detail and would swap off their assignments to someone who would like more standby time), benefits don't go up for new/additional employees, and training and familiarity in the locale are enhanced. The reasons why this is not practical includes the expense and the possibility that, as a contract provision, it might become obligatory under the CBA, prompting grievances when the Chief, or officer in charge, had to juggle who goes to what, without meeting the staffing quotas per pieces of equipment. The panel does not adopt this proposal and recommends the current practices remain in place. (Pragmatically, this is not a hard or tough recommendation to make because, regardless of what this panel might recommend, it is without the enthusiasm and benefits to be supported by the voters.)

Issue 6

Contract Article XXII (Sec. 6)

Vacations: Permit Conversion of 2 Vacation Shifts to 24 hrs Personal Time

Position of the Union:

In order to make vacation time more available and/or more usable to unit members, the Union is also proposing language to permit them to use/exchange twenty-four (24) hours of vacation time as a personal day. According to their proposal, this would become a part of Article XXII, Section 6.

The framework for this provision may be found in the language already in Article XXII, Section 6 which provides a current allowance of 20 hours per year with pay, which may be taken in blocks of time of not less than two hours.⁹² It reads:

Each employee is authorized leave for twenty (20) hours with pay, which may be taken in blocks of time of not less than two (2) hours. Newly hired employees in the middle of a contract year shall earn two (2) hours per month up to twenty (20) hours in their first partial year. Personal time shall not be changed to vacation or

⁹¹ Town brief, p. 21.

⁹² Union brief, p. 22.

sick leave and may not be taken on the July 4th or Labor Day holidays. Time not used is lost at the end of each year.

The Union believes this “provides a reasonable expansion of vacation availability.” It would become an added option for unit members.

Position of the Town:

The Town objected to this proposal because, allegedly, this creates a “back door” way of achieving the ability to have more than one firefighter on vacation at one time. Once under Article XXII, § 6 as personal time, there is no restriction on how many firefighters can be off for vacation and personal leave on any given day.⁹³

The Town is also concerned that the cost for this proposal is more difficult to project, especially for the summer months. Its consequences are uncertain, if and to the extent one firefighter could be on vacation on a given day and another firefighter could be absent from work “simply by converting the vacation day to a personal day.” “The Town takes the position that the majority of these ‘converted’ personal days would result in overtime, and the cost would be substantial.”⁹⁴

Panel’s Award:

The panel agrees with the Town’s assertion, above, that this proposal, if adopted (especially if “as proposed”), has the potential of creating a shortage in manning and in the ability to fill positions without resorting to overtime. It is not uncommon to find situations when firefighters may have up to five consecutive days off where, if they know ahead of time, they can schedule appointments, doctor’s visits, and/or conduct other business. In other words, while this might be a nice extra benefit, it is not a necessity. There are ways in which to get tasks completed without having to institute this swap program between vacation days and 24 hours of personal time that must be used in two-hour blocks.⁹⁵ The provisions, as they currently exist,⁹⁶ have not been shown to be deficient or unworkable. That same language will remain in place for the new contract, without amendment.

Issue 7

Contract Article XII

Sick Leave: New Employees Not Eligible for Sick Leave Buyback

Position of the Town:

The Town seeks to add a provision to this article that would apply to new employees, i. e., “Employees hired after issuance of an award or ratification of the collective bargaining agreement shall not be eligible for the foregoing sick leave buyback.”⁹⁷

⁹³ Town brief, p. 22.

⁹⁴ *Id.*, fn 55, with further reference to testimony from Chief Ambriscoe about these concerns. Also, Town Ex. No. 24 was prepared by the Chief.

⁹⁵ Union brief, p. 23.

⁹⁶ CBA, Article XXII, Section 6, page 29.

⁹⁷ Town brief, p. 16.

In support of this proposal the Town has indicated that its “overall bargaining strategy is to reduce the cost of benefits, but not at the expense of employees that have been receiving these benefits....While there is no immediate payback for the Town for this language, it is consistent with the Town’s effort to reduce the long term cost of such benefits. [While] the Union’s data shows that the Town’s current benefit is at or near the average for Barnstable County, ...all other Chatham unions have accepted this proposal.”⁹⁸

Position of the Union:

While the Town “proposes to eliminate sick-leave buy-back....[it] presented no evidence whatsoever of abuse of the benefits or problems in their administration.”⁹⁹ The Union recognized that there may “be uncertainty in budgeting for sick leave buyback, it is no so different from other uncertain aspects of personnel budgeting, [such as] overtime. If there were just a budgeting problem, one might have expected the Town to propose spreading out the payment over a few years to cushion the blow of one large payment. But, there was no such proposal.”¹⁰⁰

Panel’s Award:

This proposal by the Town differentiates between current employees, for whom the current language would remain in effect, and new employees who, if hired after a date certain, would not receive those benefits. Specifically, CBA Article 12, Section 8 currently provides: “Upon death, retirement, voluntary resignation or involuntary resignation for cause and after the period as outlined in Article VIII, Section 5(e), payment shall be made of twenty-five (25) percent of accumulated sick leave. Additionally, the retiring or resigning employee shall be allowed to donate to the sick leave bank twenty-five (25) percent of his remaining sick leave.” The Town’s proposal would make this benefit “disappear,” and be unavailable to new employees after a given date, supposedly as a cost savings measure.

While the employer may have a goal of cutting expenses, there is a time for doing this and a time not to be doing this. If there is a voluntary “I’m gonna quit now,” or “It’s time for me to retire,” then the employee is steering his/her own course. If the employee has died, suffered an incapacitating injury, is physically disabled from being able to work, or can no longer work in his firefighter capacity, then the circumstances are considerably different. The employee and/or the family may be wondering when and where the next dollar might be found, whether the mortgage payment will be made or if the utilities will be discontinued. This is a different and distinguishable situation. Thus, while the panel recommends a different package for what has been called the “newly hired” firefighters, their new sub-paragraph to Article 12, Section 8 shall read: “Upon death, suffering an incapacitating injury, or becoming physically disabled from being able to work as a firefighter, and after the period as outlined in Article VIII, Section 5(e), payment shall be made of twenty-five (25) percent of accumulated sick leave. If the firefighter has survived he/she may elect to donate to the sick leave bank twenty-five (25) percent of his/her remaining sick leave.”

⁹⁸ *Id.* (Underlining in original)

⁹⁹ Union brief, p. 18

¹⁰⁰ *Id.*, p. 19.

Group Health Insurance: New Employees – Change to 65% -35% Split

Position of the Town:

The Town seeks to add another provision that would also apply only to new employees, i.e., “Employees hired after issuance of an award or ratification of the collective bargaining agreement shall contribute 35% of the cost of health insurance, and the Town shall contribute 65%.”¹⁰¹ Town Ex. No. 29, entitled “Revised Town Proposals,” noted in **bold** that “other groups settled for 35% / 65% split.”

The Town also reiterated that “all other Chatham union employees have agreed to this benefit as a consideration for the negotiated wage pattern.”¹⁰² Additionally, the Town argues that the “Union’s own data actually shows that at 70% for current employees, the Town is well within the average of Barnstable County communities.”¹⁰³ The Town’s proposal to shift an additional 5% to new employees is an attempt to mitigate the substantial OPEB liability faced by the Town. As other Chatham unions have accepted this proposal, the Panel should award it here.”¹⁰⁴

Position of the Union:

The Union opposed all four of the Town’s proposals. The language of its brief¹⁰⁵ speaks to all four Town proposals and conveniently fits this discussion:

“The Town proposed to eliminate sick leave buy-back, to reduce its insurance contribution from 70% to 65%, to reduce the longevity benefit, and to remove the incremental education pay (allowing the benefit only after obtaining the degree). The Town presented no evidence whatsoever of abuse of the benefits or of problems in their administration. With respect to the proposed change in the Educational Incentive, the last comment of the Town was that it was “not a major priority.”....

There can be no claim that the Chatham Fire benefits are extravagant and need to be trimmed back. The evidence demonstrates that the Chatham benefits are actually slightly below the 73.2% average...(72.2% without Nantucket). The longevity payout of \$33,325 is slightly below the \$37,403 average (\$35,106 without Nantucket). And the 25% sick leave buy back is the mean of the comparable towns, shared by seven other towns.

There is no justification for the Town to argue that these benefit reductions would only be applied to new employees....The fire service is a close-knit community where fire fighters live together for 24 hours and depend on each

¹⁰¹ Town brief, p. 16

¹⁰² *Id.*

¹⁰³ *Id.*, citing to Union Ex. No. 30.

¹⁰⁴ *Id.*, noting the underline appeared in the original.

¹⁰⁵ Union brief, pp. 18-19.

other for their very lives. It is morally and politically repugnant for the current employees to sacrifice the interests of the new employees upon whom they will depend.

The Town's sole argument for the changes in health insurance, longevity and sick leave buyback is that the Chatham Police agreed to them....The Police cannot be considered comparable to the Firefighters....[T]he Firefighters' proposal of less than half the wage increased given to the Police justifies a rejection of a the reduction in benefits the Police accepted.

Panel's Award:

This particular issue was characterized by management as a "deal breaker" if the Town could not realize the 5% premium savings going forward. The current employees are not impacted by this proposal; it would apply only to new employees, hired after that same "date certain" mentioned in Issue 7.¹⁰⁶

The Town's proposed language, for the to-be newly hired employees, is accepted as shown at fn. 101, above, and in the Town's brief, p. 2, Article XIV, Section 1. This condition shall be a part of the new CBA, appended in the appropriate place to Article XIV, presumably as an appendage to Section 1.

Issue 9

Contract Article XVI

Educational Pay: New Employees Eligible after Attaining Bachelor's Degree

Position of the Town:

As with the Town's prior proposals, this plan would impact new hires into the Fire Department, i.e., "Employees hired after issuance of an award or ratification of the collective bargaining agreement shall only receive educational incentive pay upon completion of a bachelor's degree in Fire Science."¹⁰⁷

The Town urges that this proposal would help it to "upgrade the educational requirements for its firefighters" by focusing on a bachelor's degree, rather than award the benefit for attending courses. Likewise, no current employees would be impacted because this contract language would only apply to newly hired (after ratification or implementation) employees.

¹⁰⁶ Use of the ambiguous "date certain" is appropriate because the Town's proposal uses one of two dates, "hired after the issuance of an award or ratification of the collective bargaining agreement."

¹⁰⁷ Town Ex. No. 29 and Town brief, p. 17. The current remuneration plan (at Union Ex. No. 1, Article XVI, Section 1) provides for "satisfactory completion of courses which are a part of a Fire Science curricula and leading to a degree in Fire Science" and then "up to 30 credits, \$20 per credit hour; thirty to sixty credits, \$25 per credit hour; Associates degree, \$30 per credit hour."

Position of the Union:

The Union objects to this new provision. It was quick to point out that “the last comment of the Town was that it was ‘not a major priority.’”¹⁰⁸ In addition to changing the terms of when firefighters would be paid/compensated/recognized for additional educational achievement, this change also raises an ante from an associate’s degree to completion of a bachelor’s degree in Fire Science.

In its discussion about the value of the restoration of the Quinn Bill to members of the Chatham Police Department, the Union calculated that that restoration was worth 9.9% (2.6% for 2013, 2.3% for 2014, and 5.0% for 2015) and that, at a rate of \$3,409 per officer, was the equivalent to a 6% wage increase.¹⁰⁹ The stretching out and delaying of the educational pay incentive until the completion of the bachelor’s degree requirement for firefighters impairs any “pay-as-you-go philosophy for these employees, is an obvious inequality with benefits under the Quinn Bill, and, at the starting point, is a disincentive to entering firefighters who can barely see to the end of this much longer educational tunnel.

Panel’s Award:

After examining the ramifications of the Town’s proposal, the panel determined that the best interests of all would be served by maintaining the current contract language, without any discriminators pertaining to the to-be newly hired employees. The current contract language shall be maintained, to apply to current and new employees alike.

The Town’s proposal, especially compared to the continuing contract language for the current employees, was simply too sinister, too severe both to effective relationships in the work place and to the educational process itself. No cash incentive was to be paid until the employee showed “completion of a bachelor’s degree in Fire Science.” If someone started from scratch and that was a 120 credit hour curriculum (a total of 120 credit hours over the term of study), that would be the equivalent of many undergraduate liberal arts programs that take four years. The current Article XVI pays \$20 per credit hour up to 30 credits. Thirty to sixty credits pays \$25 per credit hour, and an associates degree, not even an option under the Town’s proposal, pays \$30 per credit hour. All funds are paid on July 1st based on the number of credits satisfactorily completed prior to that date. This is a real incentive for inexperienced employees, especially, to take advantage of this study program with a cash incentive to boot. The plan here is to have firefighters educated and capable with the latest developments in fire science. The current language does that; the Town’s proposal does not.

¹⁰⁸ Union brief, p. 18

¹⁰⁹ Union Ex. No. 45.

Longevity Pay: New Scale for New Employees with Four TiersPosition of the Town:

The Town is proposing a change in longevity payments for newly hired firefighters. Again, it would distinguish these employees with the caveat: "Employees hired after issuance of an award or ratification of the collective bargaining agreement, shall receive a lump sum payment based on their years of service for the Town of Chatham as of the date of hire each fiscal year."¹¹⁰ Because the amounts, starting points, and increments vary in the Town's proposal versus the current contract language, this is best described by chart:

<u>Completion of Years of Service</u>	<u>Current Contract</u>	<u>Town Proposal</u>
6	\$250	\$N/A
7	300	N/A
8	350	N/A
9	425	N/A
10	500	300
11	600	300
12	700	300
13	800	300
14	900	300
15	1000	400
16	1100	400
17	1200	400
18	1300	400
19	1400	400
20	1500	500
21	1600	500
22	1700	500
23	1800	500
24	1900	500
25	2000	1000

The Town justifies this proposal based upon contracts with other unions in Chatham. "This reduction in benefits for new employees was negotiated with the police union, the dispatchers union and with the CMEA [teachers] as part of their economic package."¹¹¹ ... [It] does not result in any immediate cost saving, but, reflective of the Town's conservative approach to

¹¹⁰ Town brief, p. 17 and Town Ex. No. 29

¹¹¹ *Id.*, and Town Exhibit No. 18.

managing its finances, will reduce the long term cost of employee benefits....[As to comparability data, removing Nantucket,] Chatham pays right at the average of \$33,300 for longevity, using the Union's own analysis.... [I]f the Union does not wish to accept this reduction for new employees, they should not be entitled to a wage increase commensurate with tha[t] negotiated by other Town employees." ¹¹²

Position of the Union:

In addition to the Union's prior commentary about the Town's proposals *en masse*, the Union makes specific reference to its Exhibit 31 in which Chatham, at \$33,325 is shown in the middle of the pack, compared to a high of \$96,696 for Harwich and a low of \$11,330 for Bourne. That document, which includes Nantucket at second place with \$74,155, states an "average" cost of \$37,403, over a 32-year period, ¹¹³ versus Chatham at \$33,325, exactly in the middle of a column of seventeen communities. Succinctly summarized, "the Town's sole argument for the changes in health insurance, longevity and sick leave buyback is that the Chatham Police agreed to them." ¹¹⁴

Panel's Award:

The Town's proposal for "Longevity Pay" differs from its proposal for educational because it contains four steps: five at \$300, five at \$400, five at \$500, and a top step of \$1,000. While that is a plus, why the Town is waiting until ten years of service to reward longevity is indeed a mystery.

Like other Town proposals, this proposal envisions two tiers. The first tier for the current employees starts at six years of service with \$250 and ends with a top step of \$2000 at 25 years of service. The Town's proposed language, for the to-be newly hired employees, is accepted as shown at fn. 110, above, and in the Town's brief, p. 2, Article XVII, proposed to be added to Section 1. This condition shall be a part of the new CBA.

* * * * *

This concludes the hearing, evaluation, assessments, and outcomes suggested to and, with modifications, adopted by the arbitration panel for its various awards. This document represents a concentrated effort, with input from labor, management and neutral members, not only about the various issues in dispute but also about how various individual solutions may fit together to craft an overall package to settle a contract that, essentially, has not been resolved over a period of three years, FY 13-14-15. Remedies for these respective years are directed in those instances where multiple years require remedial attention and equitable remedies.

¹¹² *Id.*, with reference to Union Ex. No. 31.

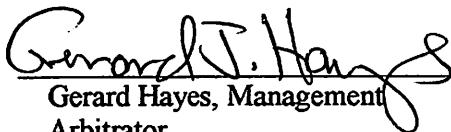
¹¹³ Union 31, fn 1. "Thirty-two years is used because the maximum pension benefits is obtained upon 32 years of service"


¹¹⁴ Union brief, p. 19.

There is both good news and bad news in this scenario that has confronted all of us, panel members and the parties. When put in effect, as is or as modified by the parties, the work product that the panel has presented to the parties will expire with the end of FY 15, next July 1st. In essence, then, if the parties get the dispute about this contract settled both promptly and effectively, they can expect to begin negotiations for a successor contract sometime next Fall or Winter. Use that opportunity to take advantage of what has been learned in these negotiations, this interest arbitration, and the changing needs of the parties. The next negotiations will be different; they always are. Meantime, the parties should have at least 20-20 foresight as to what the big issues will be for the FY-16 and beyond CBA. This document and your "table time" together may provide you with a better head start that you might have expected.

Dated June 24, 2014


Parker Denaco, Neutral Arbitrator


Gerard Hayes, Management Arbitrator


Paul Medeiros, Labor Arbitrator

After reviewing this decision in its entirety, I (concur ☒) (dissent ☐) with these findings.

I (am ☐) (am not ☒) providing my supplemental comments which are attached hereto.

Dated: May 27, 2014

After reviewing this decision in its entirety, I (concur ☐) (dissent ☒) with these findings.

I (am ☒) (am not ☐) providing my supplemental comments which are attached hereto.

Dated: June 10, 2014

June 9th, 2014

JLMC Interest Arbitration Panel
Chatham Fire Case 13-2682
Mr. Parker Denaco, Neutral Arbitrator
Mr. Gerard Hayes, Management Arbitrator

Here is the dissent letter for the Chatham Fire Case,

"Large gains or major concessions are not achieved in the format of arbitration." (Altman, Falmouth, 2014.) This quote best summarizes the strong past practice of JLMC interest arbitration panels and particularly those that I have sat on for the last several years. Panels are not put in place to bargain for the parties. Rather, panels are put in place to end deadlock and resolve discrete issues when such cannot be achieved independently. I cannot in good conscience sign this decision, which clearly bucks these longstanding principles. The decision grants the Town a major concession, a two-tier fire department, which is not justified by the facts in this case. A two-tier fire department will save the Town some money for certain, however, such savings will be at the cost of citizen safety as the Union argued in this case. Fire Fighters work and live together in groups. They depend on one another. A system that would require them to work shoulder to shoulder, doing the same hard work, but making significantly different pay will destroy fire fighter morale and, again, citizen safety. Moreover, offering subpar pay and benefits will lead to the Town having a weak and uncommitted fire department. I take the unusual step of writing this dissent because I want the Town and the public to clearly understand my objection and the Union's objection. I won't sign and do not in any way support this decision.

A handwritten signature in black ink, appearing to read 'Paul J. Medeiros', with a long horizontal flourish extending to the right.

Paul J. Medeiros,
Labor Representative, JLMC