

**COMMONWEALTH OF MASSACHUSETTS
JOINT LABOR MANAGEMENT COMMITTEE**

**IN THE MATTER OF
INTEREST ARBITRATION
BETWEEN**

**SCITUATE FIRE FIGHTERS UNION,
LOCAL 1464, IAFF, AFL-CIO**

-AND-

TOWN OF SCITUATE

JLMC-13-3150

AWARD

A. Contract Duration

Contract #1: July 1, 2013 through June 30, 2014

Contract #2: July 1, 2014 through June 30, 2017

B. Wage Increases

- (1) Effective January 1, 2014, a 1.0% across-the-board wage increase applied to the salary schedule in effect on December 31, 2013.**
- (2) Effective July 1, 2014, a 1.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2014.**
- (3) Effective July 1, 2015, a 2.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2015.**
- (4) Effective July 1, 2016, a 2.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2016.**
- (5) Effective January 1, 2017, a 1.25% across-the-board wage increase applied to the salary schedule in effect on December 31, 2016.**

C. Monthly Paid Leave Accrual

The monthly paid leave accrual formula is awarded. The monthly paid leave accrual vacation benefit will be calculated on a monthly paid leave accrual basis effective July 1, 2016.

A committee comprised of three (3) representatives from each party will discuss and agree to the details of the monthly paid sick leave accrual system. The committee will begin its discussions no later than October 1, 2015. The committee will refer its agreement to the parties for inclusion in the collective bargaining agreement. The monthly paid leave accrual sick leave benefit will be calculated on a monthly paid leave accrual basis effective July 1, 2016.

D. Employees Not Accruing Leave While on Extended Unpaid or Paid Leave

Effective January 1, 2016, Firefighters will not accrue sick or vacation leave after one (1) year of being on non-IOD leave status. Employees on IOD leave will receive leave benefits while in IOD status.

E. Day Shift Paramedics

The Town may post and fill two (2) day shift paramedic positions to handle higher volume periods for Emergency Medical Services (EMS) as soon as the details of such positions are resolved by the parties. Beginning no later than October 1, 2015, a committee comprised of three (3) representatives each from the Town and the Union will meet to discuss and agree to the details of the award permitting the Town to hire two (2) day shift paramedics to bolster Town EMS services with the goal of reaching an agreement no later than December, 2015. Thereafter, the parties' agreement will be included in the collective bargaining agreement, and implemented no later than January 1, 2016.

While the committee is deliberating over the details of the award, the panel recommends the assignment of day shift paramedics on an overtime basis beginning October 1, 2015 and lasting until January 1, 2016.

F. Longevity

Status Quo.

G. Leave Buy Back

The Town may offer a voluntary vacation leave buy-out to Firefighters at the rate of two hundred twenty-five dollars (\$225.00) per day.

H. Emergency Medical Dispatch

Status Quo.

I. Education

Amend Article 22 §A and §B as follows:

Effective July 1, 2013, an increase from \$1,050 to \$2,000 in the annual Associate's Degree stipend;

Effective July 1, 2013, an increase in the annual Bachelor's Degree stipend from \$1,650 to \$3,000;

Effective July 1, 2014, an increase in the annual Associate's Degree stipend from \$2,000 to \$2,500; and

Effective July 1, 2014, an increase in the annual Bachelor's Degree stipend from \$3,000 to \$5,000.

While pre-degree credits will count toward degree (Associate's Degree, Bachelor's Degree, Master's Degree) attainment, the Article 22, Section A pre-degree credit incentive schedule, as such, will be eliminated after the November, 2016 payment, except for the Paramedic and Dispatcher stipends which shall continue.

J. Personal Days

Status Quo.

K. Holidays

Status Quo.

L. Detail Rate

An increase from \$41.00/hour to \$44.00/hour, effective October 1, 2015.

Richard MacKinnon
Union Panelist

Richard Boulanger, Esq.
Chairman and Neutral Panelist

Sheila Vanderhoef
Town Panelist

Dated: _____

Dated: 8/12/15

Dated: _____

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Richard MacKinnon
Union Panelist

Dated: 9/16/15

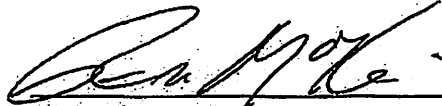

Richard Boulanger, Esq.
Chairman and Neutral Panelist

Dated: 9/16/15


Sheila Vanderhoef
Town Panelist

Dated: 18 Sept 2015

I dissent to Section I, Education, in so much as it grants the Town a concession that was not certified by the JLMC for this panel's review. The Union's certified issue is strictly to raise the educational stipends paid to members. The Town did not request nor did the Committee certify its proposal made during negotiations to end pre-degree credits. I cannot condone this panel's actions in going outside of the scope of this proceeding. It is not fair to the Union and may set bad precedent for future arbitration proceedings.



Richard MacKinnon
Union Panelist

Dated 9/16/15

I. INTRODUCTION

The Joint Labor-Management Committee (JLMC) interest arbitration panel is composed of Union Representative, Richard MacKinnon; Neutral Panelist and Chairman, Richard Boulanger, Esq.; and Town Representative, Sheila Vanderhoef. The arbitration panel was appointed by the JLMC to resolve a contract dispute between Scituate Firefighters Union, Local 1464, IAFF, AFL-CIO ("Union") and the Town of Scituate ("Town"). The parties submitted the following issues for hearing: Contract Duration; Wage Increases; Monthly Paid Leave Accrual, Employees Not Accruing Leave While on Extended Unpaid or Paid Leave, Day Shift Paramedics, Longevity, Leave Buy Back, Emergency Medical Dispatch, Education, Personal Days, Holidays, and Detail Rate.

The interest arbitration hearing was held on May 12, 2015 at the Blue Cross Blue Shield Hingham Campus, Hingham, Massachusetts.

The Union was represented by Ms. Leah Barrault, Esq. Mr. Mark Donovan, Mr. Sean Cashman, and Mr. Kevin Dasey testified for the Union.

Mr. John Clifford, Esq. represented the Town. Ms. Nancy Holt and Ms. Paula Vinchesi testified for the Town.

The parties were given full opportunity to present evidence and make arguments.

In formulating its award, the panel considered the following provisions of c.589 of the Acts of 1987:

- (1) Such an award shall be consistent with: (i) section twenty-one C of chapter fifty-nine of the General Laws, and (ii) any appropriation for that fiscal year from the fund established in section two D of chapter twenty-nine of the General Laws.*
- (2) The financial ability of the municipality to meet costs.*

The commissioner of revenue shall assist the committee in determining such financial ability. Such factors which shall be taken into consideration shall include but not be limited to: (i) the city, town, or district's state reimbursements and assessments; (ii) the city, town or district's long and short term bonded indebtedness; (iii) the city, town or district's estimated share in the metropolitan district commission's deficit; (iv) the city, town or district estimated share in the Massachusetts Bay Transportation Authority's deficit; and (v) consideration of the average per capita property tax burden, average annual income of members of the community, the effect any accord might have on the respective property tax rates on the city or town.

- (3) *The interests and welfare of the public.*
- (4) *The hazards of employment, physical, educational and mental qualifications, job training and skills involved.*
- (5) *A comparison of wages, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public and private employment in comparable communities.*
- (6) The decisions and recommendations of the factfinder, if any.
- (7) The average consumer prices for goods and services, commonly known as the cost of living.
- (8) The overall compensation presently received by the employees, including direct wages and fringe benefits.
- (9) Changes in any of the foregoing circumstances during the pendency of the dispute.
- (10) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, factfinding, arbitration or otherwise between parties, in the public services or in private employment.
- (11) The stipulation of the parties.

In formulating its award, the panel applied all of the statutory elements to the evidence. The panel reviewed and applied relevant internal and external comparability data to the

parties' issues. It also considered the Town's ability to pay for the award's financial aspects.

Based on the evidence submitted, the panel concludes that the awarded proposals are justified, and that the Town has the requisite ability to pay for the financial components of the award, as discussed in more detail below. The terms of the parties' July 1, 2010 to June 30, 2013 collective bargaining agreement shall remain in effect in the July 1, 2013 through the June 30, 2014 and July 1, 2014 through June 30, 2017 contracts, except as modified herein by the arbitration panel, or by the parties.

II. FINDINGS AND OPINION¹

A. CONTRACT DURATION

1.) TOWN PROPOSAL:

A one (1) year collective bargaining agreement beginning July 1, 2013 through June 30, 2014 followed by a July 1, 2014 through June 30, 2017 contract.

2.) UNION COUNTER-PROPOSAL:

A three (3) year contract beginning July 1, 2013 through June 30, 2016.

3.) DISCUSSION:

The parties have engaged in extended negotiations and subsequent dispute resolution. Indeed, the award will be issued in Fiscal Year (FY)16. Therefore, it is reasonable that Contract #2 expire at the end of FY17.

4.) AWARD

Contract #1 Duration – July 1, 2013 through June 30, 2014.

Contract #2 Duration – July 1, 2014 through June 30, 2017.

B. WAGE INCREASES

1.) UNION PROPOSAL:

July 1, 2013 – 4% wage increase;

July 1, 2014 – 4% wage increase;

July 1, 2015 – 4% wage increase;

2.) TOWN COUNTER-PROPOSAL:²

Contract #1: July 1, 2013 – 0% wage increase;

¹The term Firefighter shall include all Firefighters and all Officers except for one Deputy Fire Chief and the Fire Chief. The Union is also the exclusive representative bargaining agent for Fire Dispatchers.

²The Town's 3A certified wage proposal includes the following components: July 1, 2013 – 1.5%; July 1, 2014 – 1.75%; July 1, 2015 – 2%; and July 1, 2016 – 2%. At the arbitration hearing, the Town argued that it no longer had an ability to pay for such wage increases due to Winter, 2015 snow and ice expenditures.

Contract #2: July 1, 2014 – 0% wage increase;
July 1, 2015 – 2.0% wage increase;
July 1, 2016 – 2.0% wage increase;

3.) **DISCUSSION:**

The Union argues that internal and external comparability data justify its wage proposal, and that the Town has an ability to pay for same. The Town contends that the same evidence supports its proposal, specifically the Town's inability to pay for FY14 and FY15 wage increases due to Winter, 2015 snow and ice-related expenses. Based on the panel's review of the evidence, it finds that the following wage increases are justified, and that the Town has an ability to pay for them:

- (1) Effective January 1, 2014, a 1.0% across-the-board wage increase applied to the salary schedule in effect on December 31, 2013.
- (2) Effective July 1, 2014, a 1.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2014.
- (3) Effective July 1, 2015, a 2.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2015.
- (4) Effective July 1, 2016, a 2.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2016.
- (5) Effective January 1, 2017, a 1.25% across-the-board wage increase applied to the salary schedule in effect on December 31, 2016.

a.) **JUSTIFICATION**

i.) **TOWN WAGE PATTERN**

The panel's wage increase award is justified by Town Firefighters' workload, and by internal and external comparability data. Town Firefighters are presented with varied and challenging firefighting hazards as they protect residential dwellings, tightly compacted in some Town sections, commercial buildings, elderly housing units, the ocean front, a boat-filled harbor, industrial parks and retail centers located in Town, as well as nearby highways that are crowded with tourists, residents and commuters.

The panel acknowledges the Town's settlements with four (4) other bargaining units that negotiated wage patterns originally proposed by the Town in the instant case. The panel must also address internal public safety (Police Officers) and external (universe Firefighters) compensation disparities, if any, with Town Firefighters. While internal and external wage base comparisons are enlightening, as the largest compensation component, they must be reviewed in conjunction with overall internal and external compensation comparisons. The rationale being that a comparable wage base does not necessarily result in competitive compensation.

It is not disputed that the Town-wide wage pattern, including that negotiated by Police Officers, was comprised of the following FY14-17 increases, codified in two (2) contracts:

July 1, 2013, 1.5%
July 1, 2014, 1.75%
July 1, 2015, 2.0%
July 1, 2016, 2%

It is also not disputed that originally the Town offered its Firefighters the same wage pattern. It withdrew its FY14 and FY15 wage offers due to its unexpected expenditures for the Winter, 2015 storm-related expenses. The Town obviously had an ability to pay for the four (4) year wage pattern as applied to Firefighters. It now contends that it is unable to finance that wage pattern due to the storm-related expenses.

It is worthy of note that the Town did not reduce its Firefighter wage offers in FY14 and FY15. Rather, it totally eliminated them. Furthermore, it did not attempt to "backload" the FY14 and FY15 3.25% wage increase negotiated with other Town bargaining units into FY16 and/or FY17. The panel also notes that when the Town incurred the unanticipated storm costs, it did not seek wage freezes or other concessions from Town bargaining units that received the Town-wide pattern. The Town's current offer to Firefighters is 4.0% in FY16 and FY17, with 2.0% offered

each July 1st.

The panel is receptive to the Town's argument that changed financial circumstances present a hardship relative to its payment of the retroactivity required by a 1.5% increase effective July 1, 2013, and a 1.75% uplift on July 1, 2014. However, the panel is not receptive to eliminating the FY14 and FY15 combined wage increase of 3.25% for Town Firefighters which increase it paid to other Town bargaining units. There is no justification for such a position. Just as Town Department of Public Works (DPW) employees, Town Police Officers, and other Town employees worked through the Winter, 2015 storms ensuring public safety, so too did Town Firefighters. Moreover, elimination of the 3.25% wage increase results in Firefighters being in a less competitive compensation position vis á vis universe Firefighters and Town Police Officers than otherwise would be the case. While the panel does not award the pattern wage increases in FY14 and FY15, it awards 1.0% on January 1, 2014, an additional 1.0% on July 1, 2014 together with 2.0% on July 1, 2015, 2.0% on July 1, 2016, and 1.25% on January 1, 2017 for a 7.25% FY14-FY17 wage increase.

ii. **TOWN POLICE OFFICER COMPENSATION**

The Union contends that comparing a fifteen (15) year Town Police Officer's compensation with that of a fifteen (15) year Town Firefighter as of June 30, 2013 reveals an average Firefighter's compensation lag of 13.9%. It would appear that the Quinn Bill payments to Police Officers are a significant contributor to the lag. The Union also argues that based on FY13 compensation the Firefighter lag increases to 16.2% when Police Officer compensation is calculated through FY17. However, wage and education stipend increases awarded herein have an off-setting impact on any lag. The Town argues that comparing the compensation of a fifteen (15) year Firefighter/Paramedic with a fifteen (15) year Patrolman with an Associate's Degree,

as of FY13 when both were on an even wage footing, reveals that the Police Officer is up in compensation by only 1%. It also demonstrates that the Firefighters base wage is 4% greater than that of a Police Officer, according to the Town.

iii. **FIREFIGHTERS UNIVERSE COMPENSATION**

While the parties agree on most universe communities, they disagree on others. The Union contends that the panel should use the universe chosen by the Town's EMS survey consultant, Emergency Services Consultant International (ESCI), with the addition of Pembroke.

In selecting its "Comparable Communities," ESCI personnel utilized the following analysis:

Throughout this document, references are made to comparable communities. Initially, these comparable communities consisted of East Bridgewater, Stoughton, Norwell, Cohasset, Marshfield, Hingham, Hanover, Sharon, Milton, Duxbury, Hull, Pembroke, Whitman, Weymouth, and Rockland. However, in an attempt to draw more fair comparisons, several of the communities were eliminated. ESCI's intent in providing comparisons was to evaluate communities that provide similar services to similar populations and similar geography as Scituate.

While no two communities are identical in their size, population, demographics, or geography, ESCI attempted to use communities that are coastal; that have similar populations; that serve similar risks; or currently work in tandem with SFD through mutual and automatic aid agreements. The final list of comparable communities is identified below:

Scituate
Cohasset
Duxbury
E. Bridgewater
Hanover
Hingham
Hull
Kingston
Marshfield
Rockland
Stoughton
Whitman

In its September 16, 2014 report, Standard and Poors described the Town in the following

fashion:

The Town is a seacoast community in Plymouth County, about 25 miles southeast of Boston. Its population is estimated at 18,266 and increases during the summer to about 30,000.

The Town contends that merely because the Town's consulting firm used a certain universe for its EMS analysis does not mean it should be applied in the instant case. The Town recommends the ESCI universe with the following modifications:

Add: Abington
Pembroke
Norwell

Delete: E. Bridgewater
Kingston
Stoughton
Whitman

The panel finds that a universe comprised of the cities and towns suggested by both parties is appropriate. The panel will compare the universe data provided by the parties to Town Firefighter compensation figures. Based on its universe, the Union argues that effective June 30, 2013, a fifteen (15) year Town Firefighter/Paramedic with an Associate's Degree lagged behind his universe peers by 10% in total compensation. The same comparison at the Bachelor's Degree level discloses an 11.9% lag, according to the Union, while the Master's Degree level lag was 13.0%. Based on its universe data, the Town's calculations reveal that a ten (10) year Firefighter was earning 1.44% less in wages than the universe average in FY13. A ten (10) year Firefighter with an EMT stipend received 0.90% less than the average universe salary in FY13. A Town ten (10) year Firefighter with a medic stipend earned 4.13% less in FY13 wages than did an average universe Firefighter similarly situated.

The wage increases awarded by the panel are justified both in light of Town Police

Officer, and average universe Firefighter compensation.

b.) ABILITY TO PAY

Prior to Winter, 2015 expenditures, it is not disputed that the Town had an ability to pay the Town-wide wage increase pattern from FY14 to FY17 to Firefighters. The Town argues that it can no longer afford its estimated \$55,000 retroactive costs to the Firefighters for the FY14 1.5% wage increase that it negotiated with other Town bargaining units. (See Town Exhibit #4, Tab 4.) Similarly, it does not have an ability to pay for its estimated \$126,000 in retroactive funds to finance the 1.75% wage increase negotiated with other Town bargaining units in FY15. (See Town Exhibit #4, Tab 4.)

In FY14, the Town earned approximately \$900,000 in its ambulance revenue, or approximately 20% of the Fire Department budget. (See Employer Exhibit #1.) Moreover, the Town is expected to receive more in state aid in FY16 than it did in FY15. On another positive financial note, the Town paid less in health insurance costs from FY09-FY13 than it had in the past. (See Town Exhibit #15.) In FY14, the Town had \$2.7 million in Free Cash. (See Employer Exhibit #1, Tab 11.) According to the Union, the Town's unassigned general fund balance was \$7 million at the end of FY14. (See Union Exhibit #3., Tab 1) The Town contends that its Stabilization Fund in FY14 was \$3.5 million. (See Town Exhibit #1, Tab 11) At the start of FY15, the Town calculated its Reserves at \$ 6.2 million. (See Town Exhibit #1, Tab 11.) However, at the time of the arbitration hearing in May, 2015, according to the Town, it had Reserves of \$2.4 million comprised of \$2.29 million in Stabilization Funds and \$250,000 in Free Cash due to the expenditure of Free Cash and Stabilization Funds for storm-related expenses. The Town did not amortize its FY15 storm expenditures over the FY16-FY18 three (3) year period, despite Department of Revenue (DOR) authorization to do so in three (3) equal

installments. It is unclear whether the Town will receive any federal or state reimbursement for its storm-related expenses. It is also not certain, if it does so, when such funds will be allocated to the Town. However, due to the Town's changed financial circumstances resulting from Winter, 2015 storm-related expenses, FY14 and FY15 3.25% retroactive wage payments would be financially difficult for the Town. However, the Town has an ability to pay for a modified FY14 and FY15 retroactive wage increase (2.0%) with the balance (1.25%) "back-loaded" in FY17.

At the same time that the Town incurred the unexpected Winter, 2015 storm-related expenses, it was and had been rehabilitating its library. It was also planning the construction of a new school and a new public safety complex. The three (3) projects required the Town to borrow \$75 million. In its private sector, the Town has enjoyed a growth spurt in the last five (5) years with an annual \$1 million growth in residential housing development, with approximately 500-600 units at various stages of construction. (See Union Exhibit #3, Tab 1.) The Town's FY15 average single family tax bill was 11.55% below the Town's universe average. Similarly, its residential tax rate was 13.78% lower than the Town's universe average.

Town Manager, Patricia Vinchesi's FY16 Budget Memorandum included the following introduction:

This is the sixth operating budget during my tenure. The Town's financial position became even stronger in FY 15: we increased reserves, maintained our AA+ bond rating and made significant improvements in our infrastructure and town services. We are now borrowing money at nominal interest rates and are on the eve of a residential building boon that the Town has not witnessed for many years. We have strong planning in place for both short and long-term financial needs.

Ms. Vinchesi's FY15 Recap noted the healthy state of the Town's finances:

The state of the Town's finances remains healthy and the outlook for Fiscal Year 16, while not as robust, is favorable. In Fiscal Year 2016 however we will begin

to see erosion in some of the financial gains we have made. This is because several line items are up considerably over FY 15 amounts. The minimum wage law will change twice in the next 18 months and with it comes a budgetary increase to fund salary increases in lifeguards and seasonal laborers among others. While gas prices have decreased over prior months, the Town's reimbursement rate for employee mileage, which was artificially low for years, has been adjusted by contract to reflect fair amounts.

Local receipts are on target and 2014 Free Cash was certified at \$2,701,923. \$420,120.00 of this was carryover from FY 14. Of this \$870,307.00 was allocated at the November 13th special town meeting. The majority of our Free Cash is primarily generated by departmental turn backs on the town side. This "surplus" becomes available for other uses at the end of the fiscal year and is referred to as "Free Cash." We always maintain a reserve of Free Cash of about \$500,000 for unanticipated expenditures such as cuts in local aid or weather events (see attached chart). In accordance with our financial policies, the Town exclusively uses Free Cash for non-recurring items such as our capital program or for reserves (Stabilization, future debt).

Building and development continue to rise and our new growth remains on the upswing which has been reflected in the revenue projections for FY 16. Our revenue and expenditure forecasting tool continues to be expanded and provides accurate assumptions about what will occur in the coming year.

In her FY16 budget message, Ms. Vinchesi delineated the following FY16 Expenditure and Revenue Highlights:

- No Free Cash has been used as an offset for the operating budget
- No use of the Stabilization Fund has been used as an offset
- Assumes 7.8% increase in assessment for South Shore Regional School (student enrollment has increased in the prior year and we have also been advised to increase the school's stabilization fund for future capital needs)
- Allocates required funding for five union contracts (fire remains in arbitration as of 12/14) and non-union staff.
- Allocates and (*sic*) additional \$200,000 of Free Cash toward Town's OPEB liability
- Provides \$400,000 in funding for foreshore protection (\$200,000 Free Cash, \$200,000 General Fund). Please see supplemental discussion of Town's Foreshore Protection efforts at end of this Budget Message.
- Recommends one new .86 staff position.
- Allocates \$10,000 to Economic Development Stabilization Fund
- Allocates funds in Waterways for new Police Marine Unit

- \$513,776.00 allocated to Capital Stabilization Fund for future debt service: \$100,000 General Fund, \$163,776.00 from meals tax and \$250,000.00 of Free Cash.
- Funds hardware to bring Wi-Fi to Senior Center
- Allocates \$10,000.00 of beach revolving revenue to create a foot wash at Egypt Beach.

Revenues

- The Town will use all of its levy capacity as allowed by Proposition 2½
- Local Aid projections have been level-funded
- New growth has been increased to reflect, recent history
- Meals Tax revenue has been allocated to promote economic development (25%) and Capital Stabilization Fund to reduce future debt service
- \$100,000 of taxation has been allocated to the Capital Stabilization Fund in accordance with the intent of the Town's financial policy which endeavors to appropriate 2%-4% of net operating revenue each year to capital from taxation
- \$429,962.00 of Free Cash has been reserved as a safety net for any variations to the financial forecast for FY 16 and/or unexpected costs for the remainder of FY 15 (i.e. changes in local aid, fire overtime storm mitigation).
- A Sewer Stabilization Fund has been proposed to address future capital needs as well as reserve sewer betterments paid in advance.

Based on the Town's allocation of finances for five (5) collective bargaining agreements, it is clear that it was financing the FY14-FY16 5.25% cumulative wage increases in the FY16 budget. There is no financial reason why the Town cannot fund a cumulative, 4.0% wage increase in FY16 for Firefighters.

Per Standard and Poors, the Town's bond rating is a strong AA+. (See Employer Exhibit #1, Tab 11.) According to Standard and Poors,

The long-term rating reflects our opinion of the following factors for the town, specifically its:

- Very strong economy, which benefits from participation in the broad and diverse Boston-Cambridge-Newton metropolitan statistical area (MSA);
- Strong budgetary flexibility with fiscal 2014 projected available reserves above 15% of general fund expenditures;

- Strong budgetary performance due to conservative budgeting and a stable revenue profile;
- Very strong liquidity, providing very strong cash to cover debt service and expenditures;
- Strong management conditions, with good financial policies; and
- Very strong debt and contingent liability position.

As to the Town's "strong economy," Standard and Poors personnel elaborated as follows:

The community is primarily residential and benefits from two commuter rail stations with direct access to Boston providing residents with employment opportunities throughout the broad and diverse Boston-Cambridge-Newton MSA, which we view as a credit strength. County unemployment was 7.2% in 2013. Projected per capita effective buying income is 186% of the national level. Market value is \$226,338 per capita for fiscal 2014.

Standard and Poors evaluation is as follows as regards the Town's strong budgetary flexibility, strong budgetary performance, and very strong liquidity:

Strong budgetary flexibility

In our opinion, budgetary flexibility is strong. The town has continued to increase available reserves in the past three fiscal years, leading to improved budgetary flexibility, and according to management, it does not plan to spend down reserves. Management projects fiscal 2014 closed with a \$2.8 million general fund surplus, which would improve available reserve levels to \$11.1 million, equivalent to about 16% of expenditures. Scituate closed fiscal 2013 with an unassigned general fund balance of \$7.0 million and an assigned general fund balance of \$1.3 million. Total reserves were 12.5% of expenditures. Fiscal 2015 is on target for revenues and expenditures, and management did not appropriate any free cash for operations. In the medium term, we believe the town's budgetary flexibility will remain at least strong.

Strong budgetary performance

In our view, overall budgetary performance has been strong, with a 1.7% surplus for the general fund in fiscal 2013 and a 2.0% surplus for total governmental funds after accounting for one-time capital outlay financed with bond proceeds. Despite a challenging revenue environment in the past several fiscal years, Scituate's operations have remained what we view as positive. We believe a renewed focus on conservative budgeting and an improving economy have contributed to a stable budgetary environment.

For fiscal 2014, management indicates the general fund closed with a \$2.8 million surplus, equivalent to 4.2% of budget. Currently, we expect operating

performance to remain in line with performance in years past. At the same time, we believe there will be budgeting challenges due to increasing fixed costs associated with long-term liabilities. In our view, a recovery in local fees and taxes due to an improving economy and proactive budget management will likely allow for stable operations. We also believe Scituate maintains a stable and predictable revenue profile that is largely independent of commonwealth and federal revenue. Property taxes generate 71% of general fund revenue, and we consider collections strong and stable.

Based on our macroeconomic forecasts (see "US. State And Local Government Credit Conditions Forecast," published July 8, 2014, on Ratings Direct), credit conditions in New England remain stable, which should translate to ancillary revenue and taxable levy growth coming in as expected. In our view, however, management will need to remain proactive to ensure spending remains in line with revenue.

Very strong liquidity

Supporting Scituate's finances is liquidity we consider very strong, with total government available cash of 24% of total governmental funds expenditures and 955% of debt service. We believe the town has strong access to external liquidity.

Standard and Poors provided the following description of the Town's Strong management conditions, and its Strong debt and contingent liability profile:

Strong management conditions

We view Scituate's management conditions as strong, with "good" financial management practices under our Financial Management Assessment methodology, indicating that financial practices exist in most areas, but that governance officials might not formalize or regularly monitor all of them. The town conducts trend analysis for local revenue sources, and management regularly completes budget-to-actual reports that it presents to the town's board of selectmen quarterly. Scituate is thorough in its budget preparation and planning processes and conservative in nature, with assumptions borne out by variance analyses. Along with the budget, management also now produces a five-year capital improvement plan (CIP) that identifies which projects will be funded each year through the budget. The CIP also links with the town's debt management policies. State statutes guide the town's investment policies and practices, and reporting is done at least semi-annually. We note that the town does not have a formal fund balance policy at this time.

Strong debt and contingent liability profile

In our opinion, Scituate's debt and contingent liability profile is strong. The town has \$55.3 million of total direct debt outstanding, about \$9.4 million of which is BANs. Net direct debt is 64% of total governmental funds revenue, and debt

service is 2.5% of total governmental funds expenditures. Overall net debt is low, in our opinion, at 1% of market value, bolstering our view of the town's debt. Furthermore, we consider principal debt amortization rapid, with officials planning to retire 81% over 10 years. The town plans two *(sic)* issue approximately \$15 million in GO debt over the next two-to-three years in relation to the its *(sic)* water pipe replacement project. In our view, this will not materially affect the town's debt score.

We consider Scituate's pension and other postemployment benefit (OPEB) liabilities as manageable. The combined pension and OPEB costs account for 7.3% of total governmental funds expenditures. The town participates in the Plymouth County retirement system, and it contributes 100% of the required amount. In fiscal 2013, Scituate paid \$3.4 million, or about 4.6% of expenditures. As of Jan. 1, 2013, the system, as a whole, was 50.5% funded. While pension costs are manageable due to the county retirement system's below-average funded ratio, we believe this will likely remain a growing cost over the next few years. Scituate also provides OPEBs to retirees. As of the last actuarial valuation, the town reported a \$65 million OPEB liability. Scituate funds OPEBs through pay-as-you-go financing; fiscal 2013 OPEB contributions totaled \$2 million. The town has established an OPEB trust fund, which currently has a balance of \$281,898, and plans to contribute 2% of pension contribution costs to this fund in the future. Although we understand Scituate is contributing its share of the associated costs to these liabilities, we do not believe management has a credible plan over the long-term to address these unfunded liabilities.

As to the Town's financial outlook, Standard and Poors forecasted as follows:

The stable outlook reflects our view that Scituate's very strong liquidity; strong management, and predictable operating profile should translate into continued strong budgetary flexibility over the next two years. Consideration of a positive rating action over time would hinge on management's ability to mitigate the effects of Scituate's long-term liabilities, as well as implement more formalized policies and practices. While unlikely at this time, significant pressure on budget performance due to rising OPEB and pension costs could lead us to lower the rating. We therefore do not expect to lower the long-term rating within the two-year outlook period.

Therefore, the Town has been well-managed and it is fiscally sound with a long-term favorable outlook.

The Town does not dispute that it has an ability to pay for the 2% wage increases in FY16 and FY17. Based on the panel's wage increase award and based on the Town's

calculations, the Town will be spending \$100,000 less to fund FY14 and FY15 wage increases than the \$180,000 necessary to fund its FY14 and FY15 Town-wide wage pattern. Such savings will assist it in funding FY16 and FY17 wage increases. Using the Town's calculation, the panel's wage increase award will cost the Town \$160,000 through the end of FY16 while the Town's original wage pattern had a price tag of \$260,000 through FY16. (See Town Exhibit #4.) Furthermore, the original four (4) year (FY14 through FY17) wage pattern would have cost the Town nearly \$790,000 while the panel's award will cost approximately \$450,000 for a savings of nearly \$350,000. The Town maintains that it has \$2.54 million available to fund the award. Consequently, for all of the reasons specified above, the Town has the ability to pay for the panel's FY14-FY17 wage increase award.

4.) **AWARD**

- (1) Effective January 1, 2014, a 1.0% across-the-board wage increase applied to the salary schedule in effect on December 31, 2013.
- (2) Effective July 1, 2014, a 1.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2014.
- (3) Effective July 1, 2015, a 2.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2015.
- (4) Effective July 1, 2016, a 2.0% across-the-board wage increase applied to the salary schedule in effect on June 30, 2016.
- (5) Effective January 1, 2017, a 1.25% across-the-board wage increase applied to the salary schedule in effect on December 31, 2016.

C. **MONTHLY PAID LEAVE ACCRUAL**

1.) **TOWN PROPOSAL:**

The Town proposes a monthly vacation and sick leave accrual formula as follows:

2. **Monthly Paid Leave Accrual**

- a. Vacation - Effective January 1, 2016, vacation leave shall accrue monthly at the rates set forth below, based on continuous full time employment with the Town:

Continuous Full time service	Monthly accrual
After one year	8 hours
After 5 years	12 hours
After 10 years	16 hours
After 20 years	20 hours

*After six months' service an employee may use up to 5 of these days. (Vacation may be used in full day increments only; 1 day=10 or 14 hours).

b. Sick Leave

Effective January 1, 2016, sick leave shall accrue monthly at the following rates:

Continuous full time employment:	Monthly accrual
First 3 months of employment	None
After 3 months of employment	15 hours per month

Unused sick leave may accrue from year to year up to a total of one hundred and eighty (180) days [1440 hours]. Sick time must be taken in full day increments (10 or 14 hours).

2.) UNION COUNTER-PROPOSAL:

The Union rejects the Town's proposal.

3.) DISCUSSION:

Article 17 (Vacations) identifies the parties' current vacation benefit as follows:

- A. An employee shall not lose his/her vacation pay if incapacitated for duty because of an injury sustained in the performance of his/her duty without fault of his/her own. In such case, his/her vacation pay shall be transmitted to him/her with his/her last pay check due in any calendar year, if he/she has no opportunity to take his/her vacation before the expiration of that calendar year. An employee shall be compensated in the same manner for any accrued earned leave he/she may be unable to use due to line of duty injury.
- B. In the event of death from any cause, any vacation pay accrued up to the time of his/her death shall be paid to his/her estate.
- C. Each employee who has one year of continuous full-time service, but less

than five years, prior to December 31st in each year, shall receive two weeks vacation.

Employees with five years continuous full-time service, or more, but less than ten years in a calendar year ended December 31st shall receive three weeks vacation.

Employees with ten years full-time service, or more, but less than twenty years in a calendar year ended December 31st, shall receive four weeks vacation.

Employees with twenty years of continuous full-time service, or more, prior to December 31 in each year, shall receive five weeks vacation.

Years of continuous full-time service shall be computed on the basis of continuous service for the Town of Scituate.

- D. Vacation distribution and the selection of vacation periods shall be conducted on a Department seniority basis and by a system which would permit two employees from each group in each selection of vacation periods; however, no more than one Dispatcher will be permitted vacation at the same time.
- E. Employees who are eligible to receive vacation pay may at the discretion of Chief of Department be allowed to take all accumulated vacation one day at a time, so long as the day designated does not conflict with one and/or two week vacation periods wherein two employees will be on or are scheduled for vacation.
- F. Vacations will be permitted on December 24 and December 25 provided that no overtime is created. A vacation can be denied up to December 1 if overtime is created. If overtime is created after December 1, the vacation time will still be granted provided it was requested and approved prior to December 1.
- G. An employee may carry over up to one week of vacation to the next year provided the time carried over is taken before July 1 of the next year.

Article 19 (Employee Leave) delineates the following sick leave benefits:

Union and Management, recognizing the mutual advantage of accumulation of sick leave and in order to encourage this end agree that for a period commencing July 1, 1997, the following sick leave plan will be in full force and effect:

- A. No sick leave with pay shall be granted during the first three months of employment. After three months of continuous full time employment and

up to one year, any employee absent because of his own sickness shall be entitled to sick leave with pay for time absent not in excess of seven work days. After one year of continuous full time employment, the period in any year for which employees shall be paid while absent because of their own personal sickness shall be fifteen work days plus the amount of any accrued and unused sick leave in previous years and the maximum accumulation shall be 180 days.

B. After one year of continuous full time employment, one earned leave day will be granted for each four consecutive months in which a member of the bargaining unit does not take a sick day, and an additional earned leave day will be granted for each continuous three (3) months thereafter in which an employee does not take a sick day. Upon the breach of continuity, the formula will repeat.

a. Effective upon execution of the Agreement three (3) personal days shall be granted which shall be deducted from sick leave in the event that the employee has less than thirty days (30) accumulated sick leave, and an additional three (3) personal days shall be granted in each succeeding year, provided that employees shall be entitled to accumulate no more than six (6) personal days.

b. A maximum of two (2) employees may be on earned leave and/or personal leave during the period two (2) firefighters are on vacation; if no firefighter is on vacation, or if only one firefighter is on vacation, then up to four (4), or three (3) employees, respectively, may be on earned and/or personal leave during a twenty-four (24) hour shift. No personal leave or earned leave may be taken during any tour of duty, which covers any part of a holiday.

D. A sick leave bank will consist of the Chief of the Department, Union President, and a Firefighter. The first two members are ex-officio and the third is chosen. Each member may contribute up to one (1) day per year to the Bank and may join any July first. If any member is employed more than two (2) years, he/she must have at least thirty (30) days accumulated sick leave to join initially.

The Town seeks the implementation of the monthly vacation and sick leave accrual system because it conforms to its new financial software system. The Union argues that the Town's monthly accrual proposal decreases current contractual paid leave levels by utilizing a twelve (12) hour shift to calculate sick leave benefits, as opposed to a fourteen

(14) hour tour. Other Town bargaining units have accepted the paid leave accrual system. The panel is supportive of the Town's transformation of annual leave benefit calculations to monthly accruals. It awards the Town's monthly accrual of leave benefits. The vacation leave benefit easily converts from annual to monthly accruals because the parties agree that a vacation week is comprised of forty-eight (48) hours of vacation leave. It is calculated based on two (2) ten (10) hour day shifts and two (2) fourteen (14) hour night shifts. However, as to sick leave, the Town calculates the monthly, and total accrual using twelve (12) hours, the average of a ten (10) hour day shift and a fourteen (14) hour night shift. While the Town does not intend to reduce the sick leave benefit of any Firefighter, its calculation does so, as it shortens the potential benefit for Firefighters who may use more sick leave on night shifts (fourteen (14) hours) than on day shifts. As an example, a Firefighter who utilizes the current annual fifteen (15) day sick leave benefit for all night shifts, uses two hundred ten (210) hours of sick leave. Application of a twelve (12) hour benefit results in one hundred eighty (180) hours of sick leave annually, leading to an annual thirty (30) hour loss for night shift utilization. Consequently, while the panel awards both the monthly vacation and sick leave accrual formula, it refers the sick leave monthly accrual system back to the parties for discussion and agreement to resolve sick leave discrepancies. When the parties reach agreement on the sick leave monthly accrual system, it may be implemented by the Town.

4.) AWARD

The monthly paid leave accrual formula is awarded. The monthly paid leave accrual vacation benefit will be calculated on a monthly paid leave accrual basis effective July 1, 2016.

A committee comprised of three (3) representatives from each party will discuss and

agree to the details of the monthly paid sick leave accrual system. The committee will begin its discussions no later than October 1, 2015. The committee will refer its agreement to the parties for inclusion in the collective bargaining agreement. The monthly paid leave accrual sick leave benefit will be calculated on a monthly paid leave accrual basis effective July 1, 2016.

D. EMPLOYEES NOT ACCRUING LEAVE WHILE ON EXTENDED UNPAID OR PAID LEAVE

1.) TOWN PROPOSAL:

The Town proposes the following terms:

3. Employees not accruing leave while on extended unpaid or paid leave:

a. Vacation - Employees will not accrue vacation leave while on paid or unpaid leave in excess of 180 consecutive calendar days, except that an employee on leave pursuant to a line of duty injury may accrue up to a full year's worth of vacation accrual. Accrual shall resume upon return to work.

b. Sick Leave - Employees will not accrue sick leave while on a paid or unpaid leave in excess of 180 consecutive calendar days in the preceding 12 month period, except that an employee on leave pursuant to a line of duty injury may accrue sick leave while on injured leave up to one year. Nothing herein shall prevent the Town from granting additional sick leave, on a non-precedential basis in the sole discretion of the Town Administrator.

2.) UNION COUNTER-PROPOSAL:

The Union rejects the Town's proposal.

3.) DISCUSSION

The Town argues that its proposal is considerably more liberal than similar terms negotiated by other Town bargaining units. The Union contends that the Town's proposal is not justified. Other Town bargaining units have negotiated some form of leave accrual cap while on paid or unpaid leave. While the panel agrees that limiting benefit accrual while an employee is on a paid or unpaid leave is appropriate, the panel finds that a one (1) year period is reasonable

for non-IOD leave. As to non-IOD leave, a Firefighter does not accrue vacation or sick leave after being on a non-IOD paid or unpaid leave after one (1) year. As to IOD leave, the panel does not limit paid leave accrual.

4.) **AWARD**

Effective January 1, 2016, Firefighters will not accrue sick or vacation leave after one (1) year of being on non-IOD leave status. Employees on IOD leave will receive leave benefits while in IOD status.

E. **DAY SHIFT PARAMEDICS**

1.) **TOWN PROPOSAL:**

The Town proposes the following provision:

Day Shift Paramedics - Add to Article 12— Day Shift Paramedics - The Town may post and fill two (2) paramedic positions to handle higher volume periods for Emergency Medical Services. The two (2) paramedics assigned to those shifts shall not be subject to the 24-hour schedule. Those paramedics assigned to the day shift shall work the same number of hours as firefighters working a 24-hour shift and shall receive benefits equivalent to other firefighters covered by this Agreement. The Town may adjust the hours of these shifts to best match the needs of the community.

2.) **UNION PROPOSAL:**

The Union rejects the Town's proposal.

3.) **DISCUSSION:**

The Town contends that it needs additional manpower to adequately provide its ambulance services. The Union is concerned with the lack of specificity in the Town's proposal. While the panel is receptive to the Town's day shift paramedic proposal, its detail insufficiency requires the panel to refer the proposal to a committee to consider all aspects of it. Specifically, it is unclear how the positions would be filled with incumbent Firefighters and new hires. Moreover, the day shifts to which the new paramedics would be assigned are undefined. The day

shift hour's adjustment mechanism and other working conditions need to be defined. While the Town agrees to pay equivalent benefits to day shift paramedics, those benefits are not delineated. Cross-assignment of Firefighters, if any, from the ambulance apparatus to other apparatus needs to be specified. The proposal benefits both parties, and both parties should work diligently to reach agreement on the Town's ambulance staffing proposal. In the meantime, the panel recommends that the Town fund more ambulance personnel through overtime. The expense of employing two (2) additional day shift paramedics and/or assigning staff to Rescue 2 on an overtime basis will be offset by increased ambulance revenue. In FY13, Net Ambulance Receipts were \$927,213.46 while they were \$893,039.79 in FY14.

4.) **AWARD**

The Town may post and fill two (2) day shift paramedic positions to handle higher volume periods for Emergency Medical Services (EMS) as soon as the details of such positions are resolved by the parties. Beginning no later than October 1, 2015, a committee comprised of three (3) representatives each from the Town and the Union will meet to discuss and agree to the details of the award permitting the Town to hire two (2) day shift paramedics to bolster Town EMS services with the goal of reaching an agreement no later than December, 2015. Thereafter, the parties' agreement will be included in the collective bargaining agreement, and implemented no later than January 1, 2016.

While the committee is deliberating over the details of the award, the panel recommends the assignment of day shift paramedics on an overtime basis beginning October 1, 2015 and lasting until January 1, 2016.

F. LONGEVITY

1.) TOWN PROPOSAL:

Effective July 1, 2015, revise Article 21 as follows:

- A. All employees of the Scituate Fire Department shall receive additional compensation per year for their years of service at the following rates:

\$375	5 years or more, but less than 10
\$675	10 years or more, but less than 15
\$725	15 years or more, but less than 20
\$825	20 years or more, but less than 25
\$925	25 years or more

- B. Employees hired before 1/1/1999 may elect to participate in the longevity increase program described in part C, or they may make a one-time irrevocable election to participate in the program described in part D of this Article. All other employees may only participate in the program in part D.

- C. For employees who qualify pursuant to Part B above, in the 25th year and thereafter, an employee may elect to receive a base salary increase that is 2% higher than he or she would otherwise receive. In the alternative, the employee may elect to receive in the 30th year and thereafter, such a base salary increase that is 4% higher than he or she would otherwise receive. Base salary for the purpose of calculating the 2% and 4% increase payable hereunder shall include educational, hazardous duty, EMT pay (including defibrillator), night differential, and other longevity payments.

An employee is limited to choosing either the 25th or 30th year longevity increase, but not both.

- D. Employees who qualify pursuant to Part B above and who have completed 15 years of service as a Scituate Fire Fighter will receive a 1% base salary increase.

2.) UNION COUNTER-PROPOSAL:

The Union rejects the Town's proposal.

3.) DISCUSSION:

The Town contends that its longevity proposal is intended to achieve parity with other Town bargaining units, specifically Police Officers. The Union submits that it negotiated away

its sick leave buy-back benefit to gain its longevity stipend. According to the Union, universe data reveals that the current stipend is comparable to that of other universe Firefighters, but they also maintained their sick leave buy-back benefit. The panel chooses not to award the Town's proposal because reduction of Firefighter compensation is not justified by the universe data.

4.) **AWARD**

Status Quo.

G. **LEAVE BUY BACK**

1.) **TOWN PROPOSAL:**

The Town proposes the following vacation buy-back term:

The Town may buy-back earned vacation leave with the consent of the employee at the rate of 225 per day.

2.) **UNION COUNTER-PROPOSAL:**

The Union rejects the Union's proposal.

3.) **DISCUSSION:**

The Town's rationale for the proposal is that it is included in other Town contracts, and it is an optional benefit. The Union submits that the per diem buy out rate is undervalued. Although the Union predicts that the buy-out will not be attractive to Firefighters because it does not accurately value a vacation day, the panel awards the Town's proposal, as it is optional, and it may be attractive to a Firefighter who seeks the cash payment rather than the leave benefit.

4.) **AWARD**

The Town may offer a voluntary vacation leave buy-out to Firefighters at the rate of two hundred twenty-five dollars (\$225.00) per day.

H. EMERGENCY MEDICAL DISPATCH

1. UNION PROPOSAL:

The Union proposes the following Emergency Medical Dispatch (EMD) stipend:

There shall be an EMD stipend paid to members maintaining EMD certifications as follows: Dispatchers - 4% of their base pay paid bi-weekly; Firefighters - 2% of their base pay paid bi-weekly. Stipends shall be rolled into the base pay of bargaining unit employees for purposes of overtime and all other applicable contractual benefits.

2. TOWN COUNTER-PROPOSAL:

Reject as unsupported by the evidence.

3. DISCUSSION:

The Union argues that the statewide EMD mandate increases EMD responsibility levels, justifying the EMD stipend. The Town argues that the panel does not have statutory jurisdiction to award compensation to dispatchers. According to the Town, its Firefighters are EMT and Paramedic certified, and already perform the EMD duties and are compensated for them. The panel acknowledges that additional EMD and Firefighter training is required to comply with the EMD mandate and the Town pays for such training. However, the panel does not award the Union's EMD proposal, believing that it is more appropriate that the parties negotiate the benefit if they so desire, as there is no universe justification for it at this time.

4. AWARD

Status quo.

I. EDUCATION

1. UNION PROPOSAL:

The Union proposes to amend Article 22 §A and §B to include the following education benefit enhancement:

...payments for 54 credits or less remain the same; Associates degree - delete \$1050, replace with \$2500, Bachelor's Degree - delete \$1650, replace with \$5000; Master's Degree and above - \$6000

2. TOWN COUNTER-PROPOSAL

The Town rejects the Union's education benefit proposal.

3. DISCUSSION

The Union contends that its proposed rates are competitive with those of universe Firefighters and non-Quinn Bill eligible Town Police Officers. The Town asserts that the total Firefighter compensation vis á vis its Police Officers, and universe Firefighters does not favor the Union's proposal.

Universe comparability data supports the Union's proposal. The Town's Firefighters' education benefit is considerably below the universe average education stipend paid by the majority of universe cities and towns. The average Associate's Degree stipend is approximately \$3,000 annually, or nearly \$2,000 above that stipend paid to Town Firefighters. (See Union Exhibit #3.) Similarly, the average Bachelor's Degree stipend paid to a majority of universe Firefighters is approximately \$4,735, more than \$3,000 paid to Town Firefighters having earned a Bachelor's Degree. Therefore, an adjustment to the Education stipend for Firefighters who earn an Associate's Degree to \$2,500 and a \$5,000 stipend for attaining a Bachelor's Degree is justified. At the same time, non-Quinn Bill eligible Police Officers are paid a \$2,500 for an Associate's Degree and a \$5,000 stipend for a Bachelor's Degree and \$6,000 for a Master's Degree, further supporting such an award to Town Firefighters.

Based on the Town's evidence, there are eight (8) Firefighters who qualify for an Associate's Degree, a Bachelor's Degree, or a Master's Degree stipend. The Town costed out the Union's stipend increase at \$22,100. However, the cost increase of \$22,100 is based on a one-

time pay-out. The panel has split the increase between fiscal years 2014 and 2015, approximately halving the increase in each fiscal year. Moreover, the panel does not award a Master's Degree stipend, reducing the overall cost by one thousand dollars (\$1,000) annually. In light of the ability to pay discussion above, the panel finds that the Town has an ability to pay for the educational incentive increase as awarded.

4. AWARD

Amend Article 22 §A and §B as follows:

Effective July 1, 2013, an increase from \$1,050 to \$2,000 in the annual Associate's Degree stipend;

Effective July 1, 2013, an increase in the annual Bachelor's Degree stipend from \$1,650 to \$3,000;

Effective July 1, 2014, an increase in the annual Associate's Degree stipend from \$2,000 to \$2,500; and

Effective July 1, 2014, an increase in the annual Bachelor's Degree stipend from \$3,000 to \$5,000.

While pre-degree credits will count toward degree (Associate's Degree, Bachelor's Degree, Master's Degree) attainment, the Article 22, Section A pre-degree credit incentive schedule, as such, will be eliminated after the November, 2016 payment, except for the Paramedic and Dispatcher stipends which shall continue.

J. PERSONAL DAYS

1. UNION PROPOSAL:

The Union proposes to eliminate the deduction of personal days from sick leave accruals for Firefighters who have less than thirty (30) sick leave days accrued.

2. TOWN COUNTER-PROPOSAL

The Town rejects the Union's proposal.

3. **DISCUSSION**

The Union argues that its proposal is necessary to eliminate disparities with other Town bargaining units. The Town contends that the relatively high sick leave use by Firefighters militates against the proposal. The panel opts not to dismantle the personal day deduction from the sick leave benefit as the parties negotiated the provision at some point just as they bargained the current contractual longevity benefit.

4. **AWARD**

Status Quo.

K. **HOLIDAYS**

1. **UNION PROPOSAL:**

The Union proposes the addition of the "Day after Thanksgiving" to the list of contractual holidays.

2. **TOWN COUNTER-PROPOSAL:**

The Town rejects the Union's holiday proposal.

3. **DISCUSSION:**

The Union asserts that the twelfth (12th) holiday will render Town Firefighters competitive with other Town bargaining units, and universe Firefighters. The Town argues that its Police Officers do not receive the holiday, and it is not justified by the universe data. It is also a significant cost factor at \$10,634, according to the Town.

Firefighters currently receive the following Article 16 paid holidays:

New Year's Day	Independence Day	
Martin Luther King Day	Labor Day	
Washington's Birthday	Columbus Day	
Patriot's Day	Veterans' Day	
Decoration Day	Thanksgiving Day	Christmas Day

In addition, any special holidays as proclaimed by the Federal, State, or local governments as they apply to the Town of Scituate shall be considered a holiday.

Regular employees shall receive pay for the above-mentioned holidays in addition to salaries, provided they are not on sick leave the day before or the day of the holiday,

The panel does not award the additional holiday as many universe contracts provide for eleven (11) paid holidays.

4. **AWARD:**

Status Quo.

L. **DETAIL RATE:**

1. **UNION PROPOSAL:**

The Union seeks the top step captain's overtime rate as the detail rate.

2. **TOWN COUNTER-PROPOSAL:**

The Town rejects the Union's proposal.

3. **DISCUSSION:**

The Union's rationale for its proposal is parity with the Town Police Officer detail rate. The Town submits that there is inadequate evidence to convert the detail rate to a top step Captain's overtime rate. A prior JLMC panel rejected the detail rate conversion from a flat rate to a top step Captain's overtime rate, as does this panel. However, the panel increased the detail rate by \$3.00/hour to \$41.00/hour. It is worthy of note that the Town does not pay the detail rate, but rather private entities finance it. The Union calculates the Police Officer detail rate at \$46.01/hour while the Town contends that \$44.98/hour is the current rate. In any event, as the Firefighter detail rate (\$41.00) does not compare favorably with the Police Officer detail rate of \$44.98 or \$46.01, the panel increases it by \$3.00/hour to \$44.00/ hour.

4. **AWARD:**

An increase from \$41.00/hour to \$44.00/hour, effective October 1, 2015.