JOINT LABOR-MANAGEMENT COMMITTEE FOR MUNICIPAL POLICE AND FIRE, COMMONWEALTH OF MASSACHUSETTS

In the matter of the arbitration between:

WATERTOWN FIREFIGHTERS, IAFF LOCAL 1347

- and –

JLMC 12-22F

CITY OF WATERTOWN, MASSACHUSETTS

DECISION AND AWARD

For the Union

E. David Wanger, Esquire Kevin Dasey, Analyst Thomas V. Thibaut, President Paul LaFauci, Vice President Alan R. Morash, Secretary/Treasurer David Melanson, Captain

<u>For the City</u>

Joseph Fair, Esquire Tom Tracy, Town Auditor Gayle Shattuck, Personnel Director Mario Orangio, Fire Chief

I. <u>BACKGROUND</u>

Procedural History

On June 4, 2013, the Joint Labor-Management Committee for Municipal Police and Fire notified the parties that it had appointed a tripartite arbitration panel to resolve their bargaining dispute over two expired collective bargaining contracts. The JLMC notification said the issues to be arbitrated were wages, duration *and* the following issues agreed to by the parties:

<u>*Town*¹ *Issues*</u>: 1. overtime. 2. direct deposit. 3. staff position minimum time to serve in promotion language. 4. sick leave buyback.

<u>Union Issues</u>: 1. vacation (amend entitlement and accrued vacation/injury);

clothing allowance (increase allowance by two \$150 increments) folded into base
pay; 3. longevity pay; and 4. EMT pay

Hearings were held in Watertown before the panel² on November 25, November 26 and December 16, 2013, and March 7 and March 19, 2014. A number of witnesses testified, and the parties introduced dozens of exhibits, covering

¹ Technically, under Massachusetts law, Watertown is a "city," not a "town." But, for historic reasons, it calls itself a "town," and it will be referred to as a town in this decision.

² The JLMC initially designated Marjarita Doherty as the management member of the panel. Before the first hearing day, however, Paul Blazar of Hudson, Massachusetts, replaced her.

hundreds of pages. Following the hearings, both parties filed extensive briefs. On August 19, the panel met to review the evidence and consider its award.³

Statutory Factors

Under Chapter 589, Acts of 1987, the following factors must be considered by the arbitration panel: the municipality's ability to pay; the interests and welfare of the public; hazards of employment; physical, educational and mental qualifications; job training and skills; comparative wages and conditions with employees performing similar work in public and private employment in comparable communities; the cost of living; overall compensation currently received; and changes in circumstances during pendency of the current dispute.

The panel has considered the prescribed statutory factors in reaching its award. As will be discussed below, the factors requiring detailed review here are comparative wages between Watertown's police and fire personnel, comparative wages and working conditions for fire personnel in comparable communities, and Watertown's ability to pay.

<u>Resolved Issues</u>

The parties have resolved several issues:

³ This decision has been delayed by the impartial arbitrator's illness.

1. <u>Wages</u>. Base wages to be increased annually by these amounts: 0% on July 1, 2009; 0% on July 1, 2010; 2.5% on July 1, 2011; and 2.5% on July 1, 2012.

<u>Duration</u>. The duration of the two unresolved contracts will be July 1,
June 30, 2010, and July 1, 2010 – June 30, 2013.

3. <u>Direct Deposit</u>. The parties agree to adopt the Town's proposal for the direct deposit of wages.

4. <u>Staff Positions</u>. The parties agree to adopt the Town's modified proposal at the December 5, 2013, hearing regarding staff positions.

Unresolved Issues

- 1. The Union's proposal to increase longevity pay by 6%.
- 2. The Union's proposal to increase EMT/Defibrillator pay by 3%.
- 3. The Union's proposal to increase the clothing allowance by \$150 in FY 2012, plus an additional \$150 in FY 2013, and to roll the clothing allowance into base pay.
- 4. The Union's vacation proposal.
- 5. The Town's sick leave buyback proposal.

Police/Firefighters Bargaining History

A crucial aspect of this dispute implicates the historic relationship between

the Watertown firefighter and police bargaining units. Although there are notable

and obvious differences in the training, duties, work schedules and other employment conditions between these groups, historically they have maintained parity in wages and benefits. In this case, the Town and Union have focused on the most recent police settlement. The Firefighters Union seeks what it calls "economic value equivalency"⁴ to the police settlement.

In November 2010 the Town agreed with the Police Association to a one-year contract (July 2009 - June 2010) and a three-year contract (July 2010 – June 2013). Importantly, the Town agreed to grant police the full benefits of the so-called Quinn Bill educational benefit, retroactively for the 2009 - 2010 contract and prospectively for the 2010- 2013 contract. Previously, the State had provided 50% of the cost of the Quinn Bill, and the Town bore the cost of 50%. The Town agreed, in effect, to pick up the State's one half share.

⁴ Union's post-hearing brief, 9.

II. LONGEVITY PAY

The Union seeks a 6% increase in longevity pay and a 3% increase in EMT/Defibrillator pay effective in contract year FY 2010, both increases to be folded into base salaries. The Town has offered \$900 for each length-of -service category (*i.e.*, after 5, 10, 15, 20, 25 and 30 years of service). The most recent fire contract provides longevity pay based on percentages, and the Town's offer of \$900 for each length-of-service category would add that flat \$900 sum on top the percentages, rather than treating \$900 as a percentage.

The Town and police agreed to a \$900 increase at each longevity level. Police receive either Quinn Bill educational benefits *or* longevity pay, not both. Most police receive Quinn educational benefits; most firefighters do not.

In support of its proposed those increases is roughly equivalent to the amount the Town has agreed to pay the police bargaining unit to maintain full Quinn Bill benefits in response of the State's withdrawal of its one-half share of the cost. Maintaining historical fire-police parity justifies its proposal.

The Town responds that its agreement to pay the full cost of Quinn Bill educational benefits in the new police contracts was intended to avoid a sharp reduction in pay for approximately 80% of police who receive Quinn Bill benefits. It argues that the State's elimination of its share of Quinn Bill benefits effectively

imposed a pay cut on Quinn bill recipients of 5%, 10% or 12.5%, depending on the level of their educational achievement. The firefighters have suffered no comparable loss. Moreover, the Town directly benefits from having a better educated police force, justifying its paying the full cost of Quinn Bill benefits. It notes that the fire contract also contains educational benefits but that few firefighters (18%) have attained that benefit by earning a degree in fire science. Further, the Town argues that it agreed to pick up the full cost of Quinn Bill benefits because of pending litigation in the State courts – involving North Reading and Mashpee -- over a municipality's right to decline to up the State's one half share of the cost of Quinn Bill benefits. The police also agreed to an additional 15 minutes' work at the end of each shift without additional compensation.

The Union argues that it was "boxed in" by the Police Union's wage agreement of 0% wage increases in FY 2010 and FY 2011. The Police Union's agreement to a relatively small wage package was, however, reflective of other benefits granted police.

The Union's justification for its proposed 6% longevity increase rests largely on the Town's incurring the cost of providing full Quinn Bill benefits to the police. It argues that police are entitled to increased pay that equals the Town's Quinn Bill obligation. The flaw in that argument is that the cost to the Town of providing full Quinn Bill benefits did not actually increase police compensation. It averted a reduction in police pay. Its effect was to maintain the status quo for police

compensation. Accordingly, we find no persuasive justification for granting the Union's proposed 6% increase in longevity pay.

The Union also argues that awarding a flat \$900 increase in longevity pay – on top of the prior fire contracts' longevity *percentage* increases -- is unreasonable. The increase should be awarded as a *percentage* increase, not a flat dollar amount. We are not persuaded. Despite the historic pattern of granting longevity increases to the fire unit in percentages, rather than flat dollar amounts, it makes sense to maintain parity by granting the same dollar amounts in this contract.

The Town's offer of a \$900 increase in longevity pay at each longevity step and at each educational attainment level is fair, reasonable and will be awarded effective July 1, 2012.

III. <u>EMT/DEFIBRILLATOR PAY</u>

The Union seeks a 3% increase in EMT and non-EMT pay, effective July 1, 2009, a reduction from its initial proposal of a 4.5% increase. It notes that 60% of service calls for the Fire Department are EMS calls and, thus, that self-funding of EMS calls justifies its proposed increase in EMT/defibrillator compensation. During the four-year period in question, 2010, 2011, 2012 and 2013, the Town has received a total of \$2,636,981, which exceeds the total cost of the Union's four-year package. EMT compensation for firefighters has been 4.5% since 2000. The Union seeks an increase of 3% effective in the FY 2010 contract.

Since 1992, newly hired firefighters, unlike police, have been required to become EMT certified. Further, the Union argues that its proposal is justified by its agreement to the Town's sick leave buyback proposal.

The Town contends that the police agreement to conduct EMT training onduty is a new cost saving to the Town, whereas the firefighters have for over a decade agreed to on-duty EMT training.

Considering that EMT compensation has not increased since 2000 and that EMS service calls generate a significant "stream of revenue" for the Town, we conclude that the Union's proposal to increase EMT/ defibrillator compensation by

3% is justified, and we will award that increase effective in the 2010 contract, *viz*, July 1, 2009.

IV. <u>CLOTHING ALLOWANCE</u>

The Union seeks to increase the current \$1,000 clothing allowance by \$300 in separate increments of \$150 each. It also seeks to roll the clothing allowance into base pay, rather than as a stand-alone payment. The police contract provides for a similar \$300 increase in the clothing allowance in two \$150 increments on July 1, 2011 and July 1, 2012. The Union's proposal to increase the clothing allowance is consistent with the increase granted to the police. But the Union's proposal to fold the increased clothing allowance of \$1,300 (\$1,000 current, plus \$300 new) into the base would break the police-fire bargaining pattern.

Rolling the clothing allowance into firefighters' base pay would constitute a substantial, hidden wage increase. It would increase a firefighter's pension eligibility by \$1,300 with long-term implications for the Town's pension liabilities. Rolling \$1,300 into base pay would also raise overtime pay proportionately.

The Union advocates this proposal on the ground that its cost represents only a fraction of the Town's cost for replacing the State's one-half share of Quinn Bill benefits. This contention is made throughout the Union's case, *viz.*, that its proposals are economically justified on the ground that the police benefited from the Town's decision and that the amount of that benefit. The flaw in this argument is that the Town's decision to pay the full cost of Quinn Bill benefits for eligible police does not constitute a wage *increase*. It staved off what would otherwise have

been a *decrease* in police pay. In doing so, the Town effectively preserved the historic police-fire wage relationship. If the Town had not picked up the State's share of the cost of Quinn Bill benefits, and if police pay thereby had been sharply reduced, would not the Town be entitled to argue that firefighter wages should also be reduced proportionately in order to maintain the historic police/fire bargaining relationship?

No other bargaining unit in Watertown has such a benefit. And it would significantly undercut the police/fire wage pattern. Accordingly, we *will* award the Union's proposal to increase in the clothing allowance by \$300 in two \$150 increments, in years three and four of the contracts, in order to maintain parity with the police settlement. We do *not* award folding the clothing allowance into base pay.

V. <u>VACATION PAY</u>

The Union seeks increased vacation entitlement "effective on and after the commencement of the calendar year 2015 vacation year, with no retroactivity." Its proposal would provide five weeks vacation after 15 years of service through the 20th year of service, whereas the most recent fire contract provides for five weeks vacation after 17 years of service. Additionally, the Union's proposes to add a new vacation benefit of six weeks vacation after 20 years of service.

In support of its proposal, the Union stresses that the recent police settlement caught up with the current fire contract by providing a fifth week of vacation after 16 years of service. The prior police contract provided for five weeks vacation after 20 years of service. The fire contract historically has been ahead of the police contract in vacation benefits.

The Union further argues that its vacation proposal is justified because police receive seven days for each vacation week, while firefighters receive only four days for each vacation week. But that disparity appears to be a result of their different work schedules. Firefighters' work schedule is 24 hours on, 72 hours off, and again 24 hours on. Most police work four days on, followed by two days off. (Police who are assigned to an administrative schedule work five days on and two days off.)

Some comparable communities grant firefighters the enhanced vacation benefits that the Union seeks here. Throughout this proceeding, the Union has maintained that historically the most important consideration has been parity between Watertown police and firefighters. With that in mind, it is fair to grant the fire Union's enhanced vacation proposal which will have the effect of maintaining the fire bargaining unit's slight historical advantage over the police unit's vacation benefit.

The cost of the Union's vacation proposals is quite modest. And it is justified by comparison with the police's settlement. Accordingly, we will award the Union's vacation proposal.

VI. SICK LEAVE BUYBACK

The Town's sick leave buyback proposal has been much discussed by the parties. It has been agreed to by the police. Without need for further elaboration and for reasons well-known to the parties, we will award the Town's proposal to reduce and restructure sick leave buyback.

VII. <u>CONCLUSION AND AWARD</u>

This has been a long and difficult proceeding. And here, as is typical in municipal interest arbitration cases, there can be no perfect resolution. Our award represents our best judgment of what is fair to the firefighters and the municipality. It seeks to weigh each party's legitimate needs and interests in the light of their historical bargaining pattern of maintaining rough parity between police and firefighters. We have considered the municipality's ability to afford the increases we have awarded, and we are satisfied that their cost is well within its financial ability to pay.

<u>AWARD</u>

1. Longevity Pay

We hereby award an increase in longevity pay in the amount of \$900 at each longevity step and at each educational attainment level effective July 1, 2012.

2. EMT/Defibrillator Pay

We hereby award a 3% increase in EMT/Defibrillator pay effective July 1, 2009.

3. <u>Clothing Allowance</u>

We hereby award an increase in the clothing allowance in the amount of \$300, in two separate increments of \$150 in each of the third and fourth years of the parties' collective bargaining contracts.

4. Vacation Pay

We hereby award increased vacation entitlement pay effective on the commencement of the 2015 calendar vacation year, without retroactivity, as follows: 1) a total of five weeks vacation after 15 years of service through 20 years of service; 2) a total of six weeks vacation after 20 years of service.

5. Sick Leave Buyback

We hereby award the Town's proposal to reduce and restructure sick leave buyback.

/s/ Tim Bornstein Tim Bornstein Neutral Arbitrator and Chairman

October 27, 2014

/s/ Paul Blazar Paul Blazar Management Panel Member

October 27, 2014

/s/ Matthew Reddy

Matthew Reddy Union Panel Member

October 27, 2014