

IN THE MATTER OF FACT FINDING BETWEEN:

MANCHESTER PROFESSIONAL FIRE FIGHTERS ASSOCIATION

IAFF LOCAL 856

MANCHESTER ASSOCIATION OF FIRE SUPERVISORS

IAFF LOCAL 3820

&

CITY OF MANCHESTER NEW HAMPSHIRE FIRE DEPARTMENT

FACT FINDER'S REPORT AND RECOMMENDATIONS

Introduction

IAFF Local 856 represents employees in the positions of fire fighters, lieutenants and captains, and IAFF Local 3820 represents district Chiefs and other supervisory positions. Both Unions have collective bargaining agreements with the City of Manchester ("City" or "Employer'). By agreement of the parties, Gary D. Altman, Esq., was selected first to serve as the Mediator. A mediation session was held on March 20, 2017. The parties were unable to reach an overall agreement at the mediation session. The parties agreed that I would then serve as the Fact Finder for the unresolved issues, and a Fact Finding Hearing was conducted on April 12, 2017. Richard E. Molan, Esq. represented both Local 856 and Local 3820. Daniel A. Cocuzzo, Esq. represented the City. The parties submitted documentation in support of their respective positions at the Hearing, and also submitted post-hearing briefs.

Analysis and Recommendations

Initially, it must be noted that the fact-finding process is a continuation of the collective bargaining process. It is not meant to supplant direct negotiations

between the parties. Nevertheless, at times, parties cannot reach a successor agreement and it is necessary for a neutral to offer recommendations, hopefully, to settle the unresolved issues, and bring a measure of finality to the impasse. In making their recommendations, fact finders are interested in such concepts as prevailing standards, that is, what wages and conditions of employment exist in other New Hampshire communities, and contract settlements in the same community. Seldom will novel and untried solutions be part of a fact finder's recommendations. It must also be stated that large gains or major concessions are not achieved in the format of fact-finding or arbitration. A fact-finder is reluctant to modify contract provisions where the parties, in past years, have already reached agreement, the contract article has been in the contract for a considerable period of time, and there has been no ascertainable problem with the contract language.

History of Negotiations

The parties began negotiations for the successor Agreement that expired on June 30, 2016. Initially, the parties began discussing a multi-year contract but eventually agreed to a one-year contract extension that provided for a 1% increase, and continued merit steps and longevity steps for the 2017 Fiscal Year. The parties then continued negotiations for a multi-year agreement that would cover the period of July 1, 2017 through June 30, 2019. During their negotiations, the parties reached a number of tentative agreements, and those tentative agreements should be part of their successor agreements.

Issues

The issues in dispute are as follows:

Wage Increases

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Wage Increases

Union's Proposal

The Union proposes salary increases of 3% effective July 1, 2017, and an additional 3% effective July 1, 2018. The Union maintains that in the Fall of 2016 the City agreed with the Manchester Police Patrolman's Association and the Manchester Police Superiors Union to provide 3% COLAs for the same two fiscal years. The Union contends that if the City agreed to 3% cost of living increases for all the City's Police Officers it is hard to understand why the City would propose anything less for its Fire Fighters.

The Union maintains that in 1998 the City adopted the Yarger-Decker pay schedule, in which all City positions were placed on a unified pay schedule. This schedule placed City positions on a pay grade; each grade has steps and longevity steps, which occur on five-year intervals. The Union states that once the City developed the Yarger-Decker pay schedule in 1998 from that point forward all of the City's Unions and the City have agreed to the same annual cost of living increases. The Union thus maintains that there is no good reason to break from this long-standing history and for the City to now offer less of a cost of living increase for City Fire Fighters.

The Union further states that for the last five years the CPI has increased by 7.9% and the annual cost of living

increases agreed to by the parties for this same period of time have been 5.61%. Thus, the Union claims that there is justification for a larger cost of living increase for the next two years to make up for the fact that prior wage increases were lower than the annual cost of living. The Union also maintains that at one time, the City of Manchester, the largest City in the State, led the State in Fire Fighter wages, and at the present time Manchester now ranks 13th in starting pay among full-time fire departments in the State of New Hampshire. The Union thus contends that there is ample justification to provide 3% cost of living increases for each of the two years of this successor Agreement.

City's Proposal

The City proposes a salary increase of 2% effective July 1, 2017, and an additional 2% effective July 1, 2018. The City maintains that its proposal is fair and reasonable and should be recommended by the Fact Finder.

The City states that it is important to consider the parties' bargaining history, prior to mediation and fact finding. The City states that the parties were engaged in negotiations and getting close to reaching a successor agreement when the Manchester Patrolmen reached agreement with the City, and the Police agreement included a number of economic benefits that were not part of the original Fire Fighters' economic package. The City maintains that, at that time, the two Fire Fighter Unions then demanded to receive the wages and benefits of the Police Officers' contract, even though it called for more benefits and higher wage increases than Fire Fighters originally proposed. The City also states that issues like hazardous

duty pay, and severance benefits were not subjects that were even raised in the Fire Fighters' initial proposals.

The City contends that it is also important to consider that for many years the City agreements had parity or "me too" clauses, in which the City was contractually required to provide the same wage increases that were provided to other City bargaining units. The City states that in the prior round of contract negotiations, the Fire Fighter Unions, and all City Unions, agreed to delete the parity clauses from the Agreements. Thus, the City states that there is no contractual obligation for the City to offer Fire Fighters the same wage and benefit package that was recently agreed to with the Manchester Police.

The City further argues that the proper inquiry should not be the Manchester Police Officers, but to wages and benefits provided to Fire Fighters working in other New Hampshire cities. Specifically, the City states that Fact Finders often look to wage and benefits of employees who perform the same job duties in other New Hampshire cities to determine whether Manchester Fire Fighters are paid comparable to their colleagues in these other communities. The City points to the recent Nashua Fire Fighters settlement that provided for wage increases of between 1% and 2% per year over a four year period. The City also notes that Nashua Fire Fighters contribute larger shares for their health insurance, and do not have a severance pay benefit.

The City maintains that although the parties are only 1% per year apart on the cost of living increases for the two year contract, what also must be considered is the costly economic proposals that the Union now seeks, such as severance pay and hazardous duty pay, which would add

considerable costs to the Union's overall package. The City points to the testimony of Bill Sanders, the City's Finance Officer, that the City does not have the financial means to pay the overall economic package proposed by the Union.

Discussion

Determining the "appropriate" salary increase is not an exact science. In general, fact finders consider the cost of living, wages and benefits of comparable employees, the ability of the employer (or citizens) to pay for an increase in wages, the bargaining history of the parties and recent contract settlements. Fact Finders often pay great attention to wage settlements that have occurred within the municipality, as internal wage settlements often demonstrate the so-called "going rate" and the municipal employer's ability and willingness to pay, in the current economic times.

A review of the starting salaries of Fire Fighters EMT pay in communities throughout the State shows the following:

	<u>COMMUNITY</u>	<u>FF/EMT PAY</u>
1	DERRY	\$53,289
2	SEABROOK	\$53,168
3	KEENE	\$48,572
4	SALEM	\$47,949
5	NORTH HAMPTON	\$47,302
6	LEBANON	\$47,196
7	LONDONDERRY	\$46,759
8	RYE	\$46,742
9	HANOVER	\$46,574
10	WINDHAM	\$46,268
11	EXETER	\$46,201
12	NASHUA	\$45,460
13	MANCHESTER	\$45,296
14	HAMPTON	\$45,120
15	MERRIMACK	\$43,942
16	CONCORD	\$43,636
17	BERLIN	\$42,981

18	DURHAM	\$41,829
19	CLAREMONT	\$41,100
20	BEDFORD	\$40,567
21	PORTSMOUTH	\$39,957
22	LACONIA	\$39,814
23	ROCHESTER	\$38,925
24	SOMERSWORTH	\$38,567
25	DOVER	\$37,149
26	HOOKSETT	\$37,128
27	PELHAM	\$35,431
28	HUDSON	\$33,153

The facts do not show settlements in the above communities for this current round of contract negotiations.¹ The parties are not far apart on their respective proposals for cost of living increases for the two-year period; the City is at 2% a year, and the Union is at 3% per year. It is generally recognized that the contract settlement for one public safety group in the same community often serves as a barometer for deciding the wage settlements for the other public safety group. There is no dispute that the City reached a successor agreement with the two bargaining units representing the Manchester Police Officers and Manchester Superior Officers. The Agreement called for a 1% increase for 2016-2017, a 3% increase for 2017-2018, and a 3% increase for 2017-2018. The two Fire Fighters' bargaining units previously agreed to a 1% increase for 2016-2017, and the remaining two years are now at issue.

It is true, as the City argues, that there is no legal obligation that the City is required to provide the same cost of living adjustments for all its employees. The

¹ The Nashua Fire Agreement was introduced into evidence. It was a five-year agreement and for the time frame at issue there was a 2% increase effective July 1, 2017, and a 1% increase effective January 1, 2018; for July 1, 2018 there was a 1% increase and a 2% increase effective January 1, 2019.

question, however, is why the City would be unwilling to pay the same cost of living adjustments for all its public safety employees. There can be no contention that the cost of food, fuel oil, and other consumer staples is any less for City Fire Fighters than City Police Officers.

The testimony at the hearing is that for at least twenty years the City has agreed to the same across the board (or COLA) increases for all City employees. Specifically, the parties, many years ago, agreed to a wage schedule that has grades and steps. There may have been situations when a position has been upgraded to another grade but there is no suggestion that the cost of living increases have ever been different for City Police and City Fire Fighters. Indeed, to now provide one group of employees a higher cost of living increase would defeat the purpose of having a unified wage schedule for all City positions. The City's proposal, offering City Fire Fighters less than City Police, would alter the purpose and intent of having a unified wage schedule, and would ignore the basic wage parity relationship that has historically existed between these two public safety groups. The City has not presented any justification for altering this long-standing practice.

It is often the case that one bargaining unit waits until all agreements have been reached in the municipality, and then claims that they deserve more than the wage pattern. This is not what occurred in the City in this round of negotiations. In the present case, the Police Agreement was one of the first agreements reached and funded by the Board of Alderman. Certainly the Alderman should have realized that setting the wage pattern with the Police would have ramifications for negotiations for the

remaining bargaining units and especially the other public safety bargaining units. There can be no question that the current tax cap places budgetary challenges on the City. The contention, however, that the City cannot afford the same cost of living increase for Manchester Fire Fighters is a disingenuous argument, as the City already approved and funded a 3% cost of living for Manchester Police Officers for two years. There is no legitimate reason that the wage increase for Manchester Fire Fighters and Supervisors should be any less than that which the City agreed to with Manchester Police Officers.

Recommendation - Wage Increases

The parties should agree to a 3% across the board increase effective July 1, 2017, and a 3% increase effective July 1, 2018.

Holidays

At the present time the Local 856 Agreement provides:

14.1 Compensation for Holidays shall be paid as provided in the City of Manchester, NH Code of Ordinances, Section 33.075. In addition, whenever additional days are proclaimed as Holidays for municipal employees by the Board of Mayor and Aldermen, Department employees covered under this contract shall be paid for such holidays.

14.2 Holiday pay for each Holiday shall be computed at one fourth (1/4) of a normal week's pay. The Holidays are New Year's Day, Civil Rights Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Election Day, Thanksgiving and Christmas.

Fire Supervisors also have eleven paid holidays at the present time in their Agreement.

Union Position

Both Local 856 and Local 3820 propose to add Fast Day, as an additional holiday. The Union points to the recent agreement reached by the City and the two Police Unions that agreed to add Fast Day, as an additional paid holiday. The Union contends that Manchester Police and Fire have for many years had the same number of paid holidays, and that there is no good reason to treat the City's Police Officers any differently than City Fire Fighters for purposes of paid holidays. The Union contends that as a matter of equity, since the City agreed to add an additional holiday for its police officers, it also should provide an additional holiday for its Fire Fighters.

City Position

The City opposes the Union's proposal. The City again states that the Union did not initially propose adding an additional holiday, but only sought an additional holiday after the Police requested and the City agreed to provide an additional holiday. The City further states that there are costs associated with adding an additional paid holiday that must be considered.

Discussion

Prior to the recent settlement with the Police, Police and Fire Fighters had eleven paid holidays.² It is unusual to provide one group of employees working for the same municipality with a different number of paid holidays. Since the City believed it was appropriate to add a paid holiday for Manchester Police, there should be some legitimate reason why the City would not provide the same number of holidays for Manchester Fire Fighters. The only argument not to provide Fire Fighters with the additional

² I accept the City's representation that the Police do not have both President's Day and Washington Birthday as two paid holidays, but only one paid holiday for President Day.

holiday that it granted to the Police is that paid holidays cost money, and the City cannot afford to grant an additional holiday for its Fire Fighters. If the City has the financial means to provide an additional paid holiday to its Police, it must find the funds to provide the same benefit to its Fire Fighters.

Recommendation - Holidays

The parties should agree to add Fast Day as an additional paid holiday for the two Manchester Fire Fighter Locals.

Vacation Leave

Article 18 of the current Local 856 Agreement provides the following schedule for vacation leave:

ARTICLE 18: VACATION LEAVE

18.1 Effective the date of ratification or July 1, 1999, whichever is the latter, vacation leave policy for the regular Department employees shall be as follows:

(a) Accrual rate for two (2) calendar weeks begins on date of hire.

(b) Accrual rate for three (3) calendar weeks begins at the beginning of six (6) years of continuous service.

(c) Accrual rate for four (4) calendar weeks begins at the beginning of fifteen (15) years of continuous service.

(d) Accrual rate for six (6) calendar weeks begins at the beginning of twenty (20) years of continuous service.

Union Position

The Union proposes to amend the vacation accrual so that Fire Fighters with five years of service would receive

3 calendar weeks of vacation; after ten (10) or more years of continuous service Fire Fighters would receive four calendar weeks of vacation; and, that Fire Fighters with fifteen (15) or more years of service would receive five calendar weeks of vacation.

The Union maintains that with its vacation proposal it is seeking parity with Manchester Police. The Union contends that Manchester Police have, for a number of years, had greater vacation at the ten and fifteen year levels and there is no good reason not to provide the same level of vacation benefits for Manchester Fire Fighters, who also work under difficult conditions. The Union states that the physical and stressful nature of public safety positions warrants granting the same level of vacation for all the City's public safety units.

City Position

The City opposes the Union's proposal. The City states that additional vacation time is another economic benefit, which costs additional money, which the City does not have. The City also states that Police did not receive any increase in their vacation benefits during this round of contract negotiations.

Discussion

Although the facts show that Manchester Police do have a more generous vacation schedule than now exists for Manchester Fire Fighters, this disparity was not created during this round of contract negotiations, as the vacation schedules for both groups have been in existence for a number of contracts. During the recent round of contract negotiations the City and Police made no changes to the current vacation schedule.

The Union's proposal would accelerate the vacation schedule so that Fire Fighters would receive additional vacation earlier in their careers. The Union's proposal would increase the paid time off for members of the bargaining unit, which is an additional economic benefit in that an employee is paid and is not required to work. There is no evidence that the City has provided additional vacation time for other City employees during this round of negotiations. Moreover, for public safety employees, granting additional time off has the potential of increasing the Department's overtime costs as the Department, at times, will have other members work in place of the absent firefighters, and when this occurs, the City incurs additional overtime costs. Accordingly, there is insufficient justification to grant the Union's proposal for additional vacation time.

Recommendation - Vacation Leave

The Union's proposal is not recommended.

Health and Dental

Article 22 of the present Agreement sets forth the various provisions addressing health and dental coverage for members of the bargaining unit. The premium co-share levels are set forth as follows:

Effective July 1, 2013 the City will pay 85% of the premium for the Blue Choice New England POS Plan or the Access Blue New England Plan.

Bargaining Unit Members hired on or after March 1, 2012, with the exception of the eight (8) former bargaining unit members who are on the Department's recall list as of February 3, 2012 who are eligible for Health Insurance, the City shall pay 80% of the premium.

City Position

The City initially proposed that effective July 1, 2017, that the City pay 82.5% of the premium costs for those employees hired before 2012, and Fire Fighters would pay 17.5%. The City later changed its proposal so that it would pay 84% of the premium costs effective July 1, 2017, an additional 1%.

Union Position

The Union proposes that Fire Fighters and Fire superiors would pay an additional 1% for premium costs.

Discussion

As of the mediation session the City proposed to pay 84% of the premium costs for those employees hired before 2012. This is the same co-share percentages as was recently agreed to by the Police. Again, it appears that with respect to the co-share percentages all City employees pay at the same levels. Accordingly, at this time there is no disagreement that as of July 1, 2017, Manchester Fire Fighters should pay an additional 1% toward their health insurance premiums.

Recommendation - Health Insurance

As of July 1, the City shall pay 84% and those Fire Fighters and Fire Superiors hired before 2012 shall contribute 16% for the health insurance premiums.

Critical Incident/Hazardous Duty Pay

There is no provision in the parties Agreement that provides any additional payment for the hazards and dangers of the position.

Union Position

The Union proposes adding the following new language to both Local 856's and Local 3820's Agreement.

In recognition of the increasingly hazardous working conditions each member of the bargaining unit shall receive an additional forty (\$40) dollars a week as critical incident/hazardous duty pay effective July 1, 2017. The critical incident/hazardous duty pay shall be increased to fifty (\$50) dollars per week effective January 1, 2018.

The Union states that Manchester Police and the City recently agreed to an additional payment in recognition of the dangerous and hazardous working conditions performed by the City's Police officers. Specifically, the Union states that the City and Police recognized that because of the unique hazards and dangers of police work all police should receive a payment in addition to the wage rates set forth in the Yarger-Decker pay schedule, and they agreed to add a weekly payment for all City Police Officers, including the animal control officers. The Union states that the dangers and hazards of fire fighting are certainly comparable to the dangers and hazards of police work, and there is no good reason not to provide the same stipend to the City's Fire Fighters.

The Union states that fire fighting is a high-hazard occupation that involves intense physical activity, responses to dangerous conditions and emergency situations, including exposures to heat, carcinogenic contaminants and other physical hazards. The Union states that in a recent study of the most dangerous jobs in the United States it was found that EMTs are rated as the fourth most dangerous, and Fire Fighters were rated as the sixth of the ten most dangerous jobs in the United States. In this study, it was

found that police work was found to be the eighth highest dangerous job in the United States.

The Union further states that during fire suppression activities fire fighters are exposed to potential life threatening injuries. The Union states that line of duty deaths often occur as a result of sudden cardiac arrest while at a fire scene due to the physical demands of the job. The Union states that in the Department's history there have been 16 fatalities suffered by members of the Department as a result of their performing their duties.

The Union further states that members of the bargaining unit also provide emergency medical services for members of the community, and this results in the potential for exposure to blood borne pathogens. The Union states that with the current opioid crisis confronting the City, Fire Fighters, like Police, are now faced with additional hazards, including exposure to needles and at times dealing with argumentative and violent patients.

The Union further points to recent studies that show that in addition to the day-to-day physical hazards and dangers, the National Institute of Occupational Safety and Health (NIOSH) has recognized fire fighters because of their duties there is occupational exposure to chemicals which result in increased risks to certain types of cancers, at rates significantly higher than the general population. The Union points to the NIOSH study that found that fire fighters have a 14% increased risk of dying from cancer compared to the general population.

The Union also states that most recently the Department has developed a program known as "Safe Station". Under this program members of the public who have an opioid addiction can seek assistance at any of the ten fire

stations in the City. The Union states that since its inception, the Fire Department has had 1,348 requests for such services. An EMT at a station will then conduct a medical assessment, and if necessary contact the City's ambulance service, and a person may then be transported to an appropriate medical facility for treatment.

In addition, the Union states that with the existing opioid and heroin crisis it is common for Fire Fighter/EMTs to respond to drug overdoses on a daily basis. The Union maintains that Fire Fighters are often called to administer NARCAN, and these situations can be volatile; as a result these responses can be more dangerous for the Department's Fire Fighter EMTs.

The Union concludes that with the City's agreement to provide the additional hazardous duty/critical incident pay to Manchester Police there is no legitimate reason not to provide the same critical incident stipend to Manchester Fire Fighters.

City Position

The City opposes the Union's proposal. The City states that it understands and fully recognizes the dangers and hazards of a Fire Fighter's job. The City states that it opposes the Union's proposal based on the significant cost that would result if the Union's proposal were to be adopted. Specifically, the City maintains that the hazardous duty pay would cost the City an additional \$648,992 for the first year and the second year the cost would increase to \$721,102. This amount, the City states, is more than the actual cost of living increases sought by the Union.

The City asserts that it cannot afford to pay for this costly new benefit, and simply because Manchester Police

received this new benefit, that is not sufficient justification to provide this benefit for Manchester Fire Fighters. Moreover, the City states that critical incident or hazardous duty pay is not often provided to Firefighters in the State of New Hampshire, and this costly new benefit should not now be added to the Firefighters Agreements.

Discussion

In the late 1990's the City sought to pay City employees on a unified pay schedule, in which a classification study was done of all City positions and positions were then "graded" based on the duties, responsibilities, and the unique aspects of each City position. Each position was then graded and a wage rate was then applied to each position. The results of the classification study were known as the Yarger-Decker pay schedule.

In this most recent round of negotiations with the City's Police Officers, the City acknowledged that the existing pay schedule did not adequately compensate Manchester Police Officers, and the City agreed to create an additional weekly stipend for all City Police Officers, including the Animal Control Officers. Specifically, in the most recent Police Agreement, the City and Police Union agreed to add the following new benefit that reads as follows:

In recognition of the increasingly hazardous working conditions, including but not limited to, the proliferation of violence against police officers, increased frequency of critical incidents, and the heroin and other illegal drugs epidemic, each sworn officers and animal control officers shall receive an additional forty (\$40) dollars a week as critical incident/hazardous duty pay effective January 1, 2017.

The critical incident/hazardous duty pay shall be increased to \$50 per week effective January 1, 2018.

There can be no disagreement that Municipal Police Officers and Municipal Fire Fighters perform different tasks and have different responsibilities. There can be no dispute, however, that both positions have unique hazards and dangers associated with the performance of the duties of their positions. The Bureau of Labor Statistics consistently rates both Police and Firefighters as being within the top twenty of the most dangerous occupations in the United States

Based on the language of the Police Agreement, the City's justification to provide this additional stipend was due to increased danger and the frequency of critical incidents as a result of "the heroin and illegal drug epidemic." With respect to Manchester Fire Fighters there can be no dispute about the increased number of responses with a decreased staffing levels. The following shows the total number of runs and the staffing levels over the past eight years.

<u>Year</u>	<u>Employees</u>	<u>Total Number of Runs</u>
2008	254	18,012
2010	250	18,102
2012	228	20,009
2014	223	20,693
2016	224	24,446

In addition, the Manchester Fire Department had 19,001 critical incident runs in 2016 compared to 12,002 runs in 2006.

Recently the Fire Department implemented the Safe Station program, with the purpose of assisting those faced with opioid addictions. Under this program persons seeking assistance can walk into a fire station, and they will be referred to substance abuse professionals. This service has resulted in an additional 1,000 responses. Fire Fighter/EMTs have also responded to an increased number of drug overdoses in the City. Specifically, for the first three months in 2017, the Department responded to 86 drug overdose calls, and administered Naloxone in 61 cases. In these three months, there have been 12 suspected fatalities related to opioid addiction. In other words, the dramatic increase in opioid responses has impacted the Manchester Fire Department.

Hazardous Duty or Critical Incident pay for public safety employees is often a controversial subject, as some argue that the potential hazards and dangers of the job for both police and fire fighters are already factored into the wage rates for public safety workers. Additional stipends for hazardous duty are not often in labor agreements in New Hampshire for both police and fire fighters. This being said, in this round of contract negotiations the City opened the door for an additional payment for critical incident and hazardous duty when it recently agreed and funded an additional weekly payment for Manchester Police Officers. The door to this additional payment should not be closed for Manchester Fire Fighters simply because the City now claims it can not afford the payment; the City provided an additional \$2.4 million dollars to the Police Department budget, and found the means to fund this stipend for its City Police Officers. The Alderman may need to approve an

override to the current tax cap to fund this additional stipend.

Nonetheless, Manchester Firefighters, like Manchester Police, are now faced with the "increased frequency of critical incidents, [due to] the heroin and other illegal drugs epidemic". The increased workload and dangers of Manchester Fire Fighters are comparable to the hazards and dangers faced by Manchester Police Officers. There is no legitimate reason why this additional stipend should not also be paid to Manchester Firefighters whose job duties are equally important and critical to the citizens of Manchester.

Recommendation - Hazardous Duty Critical Incident

The parties should agree to add the following provision to their successor Agreement.

In recognition of the increasingly hazardous working conditions each member of the bargaining unit shall receive an additional forty (\$40) dollars a week as critical incident/hazardous duty pay effective July 1, 2017. The critical incident/hazardous duty pay shall be increased to fifty (\$50) dollars per week effective January 1, 2018.

Severance Benefit

Over the years the City and the two Fire Locals have had various severance provisions. At the present time there is no provision for severance payment.

Union Position

The Union proposes adding the following severance payment to the parties' Agreement.

In recognition of prior service to the City any bargaining unit member, with twenty (20) years of service of which ten (10) must be with the City of Manchester, who retires after July 1, 2017 will be

paid a severance benefit of \$10,000. The City may withhold from this benefit such amounts that are necessary for contributions to the New Hampshire Retirement System.

The Union states that this provision was recently agreed to with both of the City Police Unions, and as a matter of equity and parity, this provision should also be added to the Fire Agreement. The Union states that severance payments can assist with the retirement of active and higher paid fire fighters, which then allows the City to replace them less experienced, and less expensive fire fighters. The Union thus states that severance payments can be cost effective in the long run.

City Position

The City opposes the Union's proposal. The City maintains that severance payments result in unknown and unanticipated expenditures. The City again states that simply because the Police Union agreed to this provision does not mean that this provision should be adopted by the City's Fire Fighters.

Discussion

In this round of negotiations the Police Unions received a generous severance payment. It cannot be concluded that severance payments for Police and Fire have been the same over the years. Moreover, in view of the other economic issues in this proceeding any available monies should be used to pay salary increases and the critical incident pay to those Fire Fighters who continue to be employed with the City. The facts also show that the number of active members has decreased over the years. It would be inadvisable to encourage experienced Fire Fighters to leave the fire service at this time. If the severance

payment continues in the Police Agreements, this is a matter that can be addressed in future negotiations.

Recommendation - Severance Benefit

The Association's proposal to add a severance payment is not recommended at this time.

Achievement Steps

At the present time, under the Yarger-Decker pay system and the Collective Bargaining Agreement, employees who attain certain certifications or higher education are placed on the "A" step, which results in an additional 3% increase in base salary. The current agreement sets forth the educational requirements necessary for the various bargaining unit positions.

Union Position

The Union proposes to modify the current method for attaining achievement steps for employees in Local 856. Under the Union's proposal any associate's degree as well as Fire and EMS certifications would qualify for advancement. The Union contends that its proposal would reward employees who have attained higher degrees. The Union states that its proposal would rectify a situation in which a Fire Fighter is promoted and not given credit for prior certifications. In addition, under the Union's proposal, members would submit proof of completion to the Chief of the Department who would have final approval.

City's Position

The City opposes the Union's proposal. The City maintains that the Union's proposal would cost additional

monies, and there is no justification to amend the current provision.

Discussion

The parties, for many years, have had in place a process for qualifying for so called "achievement steps." The Agreement sets forth certain majors that are approved for purposes of advancement and the amounts of credits necessary for advancement. The Union seeks to make it easier for members to qualify and be able to attain achievement steps. The current provisions have been in place for a number of years. There is insufficient justification to modify the requirements for advancement at the present time. Accordingly, the Union's proposal cannot be recommended.

Recommendation - Achievement Steps

The Union's proposal to change the current provision for attaining achievement steps is not recommended. There should be no change in the current contract provisions.

Article 11.2 (Third Alarm Pay)

The current provision provides that members of the bargaining unit are paid an additional one and one-quarter normal weeks pay. This payment is known as "third alarm pay".

City Position

The City proposes to delete the current provision, and replace it with a selective call back process. The City states that this provision is outdated and no longer necessary and the deletion of this provision would provide savings to the City.

Union Position

The Union opposes the City's proposal to delete the current contract provision. The Union states that this payment is paid to bargaining unit members as an inducement to return to work for call-backs and other emergencies that occur in the City, and that this payment is in lieu of stand-by pay and payment for hours worked during these callbacks. The Union states that this provision has been the practice for more than forty years and to delete it would amount to a significant concession. The Union further states that the Police Officers did not agree to any economic concessions in their recent Agreement, and still received COLAs and the hazardous duty pay.

Discussion

There is insufficient justification to delete a contract provision that has been in place for more than forty years. This would amount to a major concession, and the evidence does not justify elimination of the current process for call backs. If there are concerns about ensuring coverage for these call backs the parties should explore other alternatives as opposed to simply deleting the current provision.

Recommendation - Article 11.2 (Third Alarm Pay)

The City's proposal is not recommended. The parties should continue with the current practice.

Article 11.8 (Overtime Assignments)

The current provision on overtime reads as follows:

In the event the Department is going to hire an off duty Firefighter within the fire company and is unable to do so after having called all available personnel with the rank of Firefighter within that company, the Department agrees to offer the overtime shift to the officers (Captain and Lieutenants) within the company

before the overtime shift is offered to any personnel outside of that company.

City Position

The City seeks to modify the current provision and proposes two options. The first alternative would read:

In the event that the Department is going to hire an off duty Firefighter within a fire company and is unable to do so after having called all available personnel with the rank of Firefighter within that company, the Department shall then offer the overtime shift to all personnel with the rank of Firefighter. In the event that the overtime opportunity remains available the Department agrees to offer the overtime shift to the officers (Captains and Lieutenants) within the company before the overtime shift is offered to any personnel outside of that company.

The other alternative proposal would read:

In the event that the Department is going to hire an off duty Firefighter within a fire company the overtime opportunity shall be offered in the following order:

- a.) To an off duty Firefighter within the company.
- b.) To all personnel department wide with the rank of Fire Fighter.
- c.) To officers (Captains and Lieutenants) within the company.
- d.) To any remaining qualified personnel outside of the company

The Department maintains that its proposal would save approximately \$70,000 in overtime costs, by allowing the Department to fill fire fighter openings with those holding the rank of fire fighter, as opposed to filling such opportunities with Captains and Lieutenants who are paid at

a higher rate. The Department contends that when there is a need for overtime in the fire fighter ranks, the Department should have the flexibility to fill the position with another fire fighter, as opposed to being required to call an officer from the same company.

Union Position

The Union opposes the Department's proposal. The Union maintains that the Department's proposal would restrict the overtime opportunities available to officers. The Union states that it made a counter-proposal to the Department on the topic of daily travel of officers, which is a reasonable compromise on this matter.

Discussion

The Department makes a legitimate argument for reducing overtime costs. It seems logical and appropriate that when a fire fighter's absence causes the need for overtime, the Department should have the flexibility and discretion to fill the overtime with someone in the same rank. Accordingly, the Department's proposal should be adopted. A review of the two options does not reveal a significant difference, accordingly the parties should agree to one of the two options proposed by the City.

Recommendation - Article 11.8 (Overtime Assignments)

The Department's proposal is reasonable and should be adopted.

Article 12.4 Longevity

Article 12.4 of the current Agreement reads:

The longevity waiting periods for employees shall be 5-10-15-20-25-30-35-40 and 45 years of service. An

increase of three percent (3%) will take effect on the employees' anniversary date of employment.

City Position

The city has offered to modify the current provision by proposing two alternatives to the current practice:

a.) Effective July 1, 2016 eliminate the 5 year longevity increase. Thus, the first year an employee would be eligible for the longevity would be in his/her tenth year of employment. This clause would be applied prospectively for new hires as of July 1, 2016. All previous bargaining unit members will be "grandfathered" in to the current language and paying method and shall not be affected by this modification.

b.) Effective July 1, 2016 eliminate the 3% longevity increase into the base pay with a 3% bonus/stipend to each qualifying employee. This clause would be applied prospectively for new hires as of July 1, 2016. All previous bargaining unit members will be "grandfathered" in to the current language and paying method and shall not be affected by this modification.

The City states that the Union seeks significant pay and benefit increases but is unwilling to agree to any measures that could save future costs for the City. The City maintains that Manchester Fire Fighters have a generous longevity schedule, which should be modified. The City states that it has proposed two alternatives, which would lower longevity costs in future years by reducing longevity payments for future hires, but would not impact any current employee.

Union Position

The Union opposes the City's proposal. The Union states that the longevity steps are part of the Yarger-Decker pay schedule, and have been in place for many years. The Union maintains that both Manchester Fire Fighters and

Manchester Police Officers receive longevity steps based on the Yarger-Decker pay schedule, and receive longevity steps at the same years of service. The Union further states that the Police did not change the longevity schedule in this round of contract negotiations.

Discussion

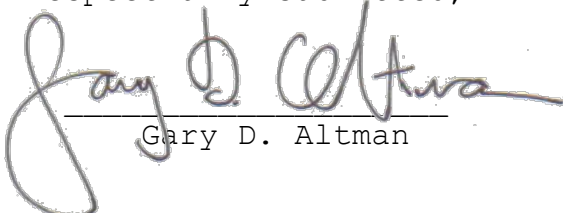
The longevity steps are part and parcel of the Yarger Decker pay plan that was adopted by the City in 1998. At the present time all the City Unions are paid under the Yarger Decker pay plan, and all are paid longevity based on the current schedule. The most recent negotiations between the City and Police Unions did not alter the longevity formula nor did they agree that longevity would only be provided to new employees. Accordingly, there is insufficient justification to recommend the City's proposal at this time.

Recommendation - Longevity

The City's proposal is not recommended. There should be no change to the current longevity payment schedule.

Conclusion

Throughout this report, I have attempted to balance the interests of the Manchester Firefighters and Fire Superiors, the City of Manchester and the citizens of Manchester. It is earnestly hoped that this report will be useful to the parties in reaching a successor agreement.

Respectfully submitted,


Gary D. Altman

Brookline, Massachusetts
June 1, 2017