

STATE OF NEW YORK
PUBLIC EMPLOYMENT RELATIONS BOARD
CASE NO. IA 89-26; M89-046

NYSPUBEMP RELATIONS BOARD
PUBLIC EMPLOYMENT
NOV 18 1989
COMMERCIAL

IN THE MATTER OF COMPULSORY
INTEREST ARBITRATION

-Between-

PEEKSKILL FIREFIGHTERS ASSN.,
PETITIONER

-And-

CITY OF PEEKSKILL,
RESPONDENT

AWARD OF THE
PUBLIC ARBITRATION PANEL

INTEREST ARBITRATION PANEL

Professor Robert T. Simmelkjaer, Esq.	Chairman, Public Panel Member
Mr. David M. Wirtz, Rains & Pogrebin, P.C.,	Employer Panel Member
Mr. Thomas F. De Soye, Esq.	Employee Panel Member

APPEARANCES

FOR THE CITY OF PEEKSKILL

Richard K. Zuckerman, Esq., Rains & Pogrebin, P.C.
Joseph Seymour, City Manager
James Madaffari, Assistant City Manager

FOR THE FIREFIGHTERS ASSOCIATION

Duncan MacRae, Chief Negotiator
David Engel, Negotiations Committee
Neil Foreman, Negotiations Committee
Donald Leak, Negotiations Committee
James Travis, Negotiations Committee

INTRODUCTION

The City of Peekskill (hereinafter "The City") and the Peekskill Firefighters Association (hereinafter "The Union") began negotiations for a successor agreement prior to the expiration of their current agreement on December 31, 1988. The Union, following an unsuccessful mediation effort, filed a Petition for Compulsory Interest Arbitration on September 27, 1989 (J-1). The Petitioner's negotiations demands for submission to the Panel, contained in Exhibit B of the Petition, listed fifteen (15) demands, including salaries, overtime, holidays, longevity, accumulated sick leave upon retirement and other fringe benefits. Subsequently, the parties stipulated to the amendment of item #11 "longevity" as follows: "increase longevity increments to \$150 after eight years, \$300 after twelve years and \$450 after sixteen years in 1989; \$200, \$400 and \$600 in 1990 and \$250, \$500 and \$750 in 1991" (J-4).

On March 28, 1990, the Public Interest Arbitration Panel was designated. The Panel informally convened on June 21st, 1990. On October 4, 1990, the Union presented its position. The City presented its position on March 6th and April 23, 1991 at which time the Chairman closed the hearing. The Panel met in Executive Session on June 7th and June 20th, 1991.

The City of Peekskill and the Peekskill Firefighters Association were represented by counsel throughout these

proceedings and afforded full opportunity to present evidence, witnesses and arguments in support of their respective positions. The Public Interest Arbitration Panel admitted as evidence one hundred and forty (140) City Exhibits, thirty-two (32) Union Exhibits and four (4) Joint Exhibits. The hearing was not transcribed and neither party submitted post-hearing briefs. All of the evidence submitted has been carefully considered by the Panel in the preparation of this opinion and its accompanying award.

Pursuant to the provisions of the Civil Service Law, Section 209.4, the Chairman, Employer and Employee Panel members of the Public Interest Arbitration Panel were charged to take into consideration, inter alia, the following statutory factors:

a. comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services or requiring similar skills under similar working conditions and with other employees generally in public and private employment in comparable communities.

b. the interests and welfare of the public and the financial ability of the public employer to pay;

c. comparison of peculiarities in regard to other trades or professions, including specifically, (1) hazards of employment; (2) physical qualifications; (3) educational qualifications; (4) mental qualifications; (5) job training and skills;

d. the terms of collective agreements negotiated between the parties in the past providing for compensation and fringe benefits, including, but not limited to, the provisions for salary, insurance and retirement benefits, medical and hospitalization

benefits, paid time off and job security...

PEEKSKILL FIREFIGHTERS PROPOSALS

In its Petition for Interest Arbitration, the Union made several demands set forth in Exhibit B, J-1 as follows:

1. Term- one (1) year. [amended at the hearing to two (2) years]
2. Nine (9%) percent increase in base salary, effective 1-1-89.
3. All time worked in excess of 40 hours per week to be compensated at the rate of time and one-half.
4. Minimum compensation time to be four (4) hours pay at the rate of time and one-half.
5. Increase the number of holidays to twelve (12) per year, four to be paid and eight (8) to be taken off.
6. All holidays remaining at the end of the calendar year to be paid at the rate of twelve (12) hours per day.
7. At retirement all members of the unit to be paid for thirty (30%) of accumulated unused sick leave at the rate of one-eighth (1/8) of bi-weekly pay for each day.
8. Vacation leave to be as follows:
 - Two (2) weeks after one year of employment;
 - Three (3) weeks after five years of employment;
 - Four (4) weeks after ten years of employment;
 - Five (5) weeks after fifteen years of employment.
9. Dental-increase the maximum contribution for family coverage to \$570; for individual coverage to \$260.
10. Institute eyeglass plan providing for an annual examination and one set of eyeglasses per year to be provided to members of the bargaining unit and their dependents to be paid in full by the City.
11. Longevity- increase longevity increments to:
 - \$450 after eight (8) years;
 - \$900 after twelve (12) years; and
 - \$1,350 after sixteen (16) years. [Amended by Stipulation]See infra.
12. Modify Article XIII (C)- change the phrase "two or more fireman" to "one or more firemen".

13. Add an Agency Shop Clause to the Contract.
14. All members of the unit to receive a \$300 uniform allowance on 5-1-89 and an additional \$500 uniform allowance on 12-1-89.
15. The City to make all necessary arrangements for all members of the unit to participate in the New York Deferred Compensation Plan.

CITY OF PEEKSILL PROPOSALS

In its response to the Petition for Compulsory Interest Arbitration, the City made four proposals (J-2) as follows:

1. Page 5, ARTICLE VIII, Section C, Personal Leave-- add the following: "Members of the unit may not use personal leave until all of their holiday and compensatory time has been utilized."
2. Page 6, ARTICLE X(A), Health -- change so that members of the unit contribute 30% of health insurance premiums.
3. Page 7, ARTICLE XII, Working Conditions -- delete.
4. Page 8, ARTICLE XV, Grievance Procedure, Step 1-- change "30 days " to ten calendar days" in both instances.

Collective Bargaining History

Included in the recent bargaining history of the parties was a Stipulation of Agreement entered into on 1/12/89 which provided for three year wage increases of 6.25% effective 1/1/89; 6.0% effective 1/1/90; and 5.75% effective as of 1/1/91. Longevity increases as noted in Joint Exhibit #1, Section B as amended were provided as well as employee participation in the Deferred Compensation Plan. Also Article X, Section B (Dental) was amended to provide for a maximum family coverage of \$520.00 and \$231.00 for

individual coverage during the 3 year agreement. This Stipulation was not ratified by the Union membership (C-46).

ISSUE: SALARIES

FIREFIGHTERS POSITION

To address the statutory criterion, ability to pay, the Union called Edward Fennell as a witness. Testifying as a municipal finance expert, Mr. Fennell, following his review of the City of Peekskill's financial documents (U-1) concluded that the City could pay "a just and reasonable" wage increase. With respect to the 1989/90 fiscal years -- the period for which the Panel has the authority to render an Award -- Mr. Fennell testified that the General Fund, according to the 1988 Annual Finance Report, had a balance of \$3,664,376 of which \$2,351,154 was unappropriated. In addition, the General Fund, in the year ending fiscal 1989, had a balance of \$2,735,855 of which \$1,814,767 was "unreserved and unappropriated" (U-1,p.9).

Mr. Fennell further testified in reference to his Financial Review that "the City has exhausted only 29.7% of its debt limit and need not invade operating funds to pay for capital items". With respect to its Constitutional Tax Limit, utilizing the Five Year Average Full Value of \$318,064,693 and two percent of average value as \$6,361,294 and exclusions, the maximum taxing power of the City was calculated as \$8,098,505 leaving a tax margin of \$2,003,543 or 31.5% of the tax limit.

In comparing the 1990 appropriation for personal service expenses for the Fire Department with the prior year's, Fennell found "limited increases explicitly appropriated in an increase from \$880,580 (FY,1989 Actual) to \$917,916 (FY, 1990 Budget). He was unable to explain the decline from \$892,760 in 1988 to \$880,580 in 1989, but offered three explanations, namely: 1) an error in recording proper code or fund, 2) decrease in staff or demotion which would reduce costs, or 3) the lowering of discretionary expenditures (e.g. overtime).

In Mr. Fennell's opinion, the 1990 budgeted revenues were conservatively estimated at a 7.6% increase (\$12,798,668 to \$13,108,324) whereas he contends expenses have been overstated, with the largest increases projected for health insurance, resulting in a net expense and budget increase of 6.0%. In addition to the \$1,814,769 of unappropriated surplus, the witness identified a contingency fund of \$50,790 in the 1990 Budget.

Mr. Fennell also testified that although the revenue for state aid would decrease in FY 1990, the retirement contributions of the City would decrease, with a net benefit to the City of \$260,000.

According to Fennell the wage demands of the Fire Department which has a \$900,000 payroll would add \$11,700 (including 30% in benefits) for every one (1%) percent increase sought or 17 cents per one thousand dollars of assessed valuation. Thus a 6% increase would cost

approximately \$70,000 -- an amount the Union deems reasonable for the City, notwithstanding the Union's official position. A Summary of his Principal Findings are:

1. Peekskill has \$2,003,543 of taxing ability remaining which is 31.5% of its limit.
2. The City has exhausted 29.7% of its debt limit and has the ability to raise \$10.997 million of non-exempt debt. However, this can only be used for capital purposes, not for salary and wages.
3. The General Fund had a surplus of \$1,814,767 subsequent to the passage of the 1990 Budget.
4. The Fire Department salary and wage account for 1990 is \$37,336 over the 1989 Budget.
5. The 1990 Budget contains a contingency appropriation of \$50,790.
6. Revenues and expenses are conservatively estimated, assuring rollover of surplus.

In cross-examination, Fennell testified that he was not conversant with the 1990 fiscal circumstances of the City. He testified that his assumptions regarding the retirements contributions were based on payroll records submitted by the City to the Retirement System which may not have been audited. The City refuted the retirement contribution assumptions of the Union, attributing a "gap" in the contribution to legislation in June, 1989 "which paid through 3/31/88 while at the same time amortizing the difference over 15 years" Finally, Fennell testified that his state aid data was obtained from the Office of Management budget estimates as opposed to actual state aid.

At this juncture the Union had admitted as evidence Exhibits #U-3a through #U-28b, with the record left open for Union Exhibits # 29-32.

Comparability

The Union's comparability position was, for the most part, supported by several collective bargaining agreements from Westchester County jurisdictions. In the Union's view the seventeen Westchester County jurisdictions which maintain paid Fire Departments are most similar to the City of Peekskill in terms of wages, fringe benefits and other terms and conditions of employment. For example, the longevity profiles were compared (U-21), the uniform allowances (U-22), the vacation benefits (U-23), personnel leave (U-24), holidays (U-25) as well as salaries (U-20). For each of these economic items, the Union argued that the City of Peekskill would lose ground vis-a-vis' its comparable Westchester Firefighter units unless its proposals were granted. Whether it compared itself to the cities of Mount Vernon, New Rochelle and White Plains which have departments seven to eighteen times larger than the Peekskill Fire Department's twenty-five personnel or to the more affluent communities of Larchmont, Scarsdale and Mamaroneck, the Union perceives a shortfall which it seeks to rectify in the instant interest arbitration process.

Subject to the submission of additional documentary evidence, the Union rested its case.

CITY POSITION

Comparability

In contrast to the Union, the City maintains that the cities of Mount Vernon, New Rochelle and White Plains are not comparable to Peekskill but rather comparable to each other in terms of population and fire department size(C-20). To support its contention that Mount Vernon, New Rochelle and White Plains are comparable to each other and not to the City of Peekskill, the City introduced as evidence several prior arbitration awards and fact-finding reports which asserted this comparability standard (Exhibits C#3 - C#19). For example, in the 1978 White Plains Firefighters Interest Arbitration Award, Arbitrator Benewitz, citing preceding awards which reached a similar conclusion, found "the most appropriate comparisons for White Plains units are to the related units in Mount Vernon and New Rochelle. The three communities have similar governmental structure, taxing limitations, size and geographical locations" (C-10). This assessment was reiterated in the 1989 City of New Rochelle Interest Arbitration Award where Arbitrator Scheinman concluded:

Based on our independent study we are persuaded at this time the relevant universe for comparison of terms and conditions is the cities of Mount Vernon and White Plains. The Union's attempt to expand the relevant universe is appropriate(C-18)

The Union's position that more affluent towns in Westchester County such as Rye were also comparable to Peekskill was contested by the City. Although Rye has a similar population (15,000 vs. 19,000 in Peekskill) and a similar

Fire Department size (16 personnel vs. 25 in Peekskill), a PERB Police Arbitration Panel found Rye most comparable "with police departments of neighboring communities" such as the Towns of Harrison and Mamaroneck (C-21). In a Peekskill Police Dept. Factfinding Report the relevant communities for comparative purposes were the contiguous communities of the Town of Yorktown and the Village of Ossining (C-22).

Given the foregoing data, the City contends that Peekskill is most comparable to the Lake Mohegan Fire District in terms of proximity and size of unit (C-24) but also the " fact that both the (Lake Mohegan) District and Association have used Peekskill for comparison in past negotiations ..." (C-25,p.10). Additionally, the 1989 Lake Mohegan Fire District Interest Arbitration Award found comparability between Peekskill and Lake Mohegan.

Continuing this rationale, the City further maintained that other non-Westchester cities within commuting distance should be considered such as: Newburgh, Kingston, Poughkeepsie and Beacon. Contracts recently negotiated for these bargaining units were introduced (C#41-54). The base salary comparisons for these jurisdictions indicated Peekskill surpassed these Firefighter units on all steps except starting salary (C-132).

Also deemed relevant by the City for comparative purposes were the agreements negotiated by Peekskill blue collar employees (C-37) and white collar employees (C#38,39)

where wage increases ranged from 5.5% beginning 1/1/89 to 5.0% effective 1/1/91.

Ability to Pay

Counsel for the City commenced his presentation by stating that the statutory criteria permit comparisons with employees in the private sector and consideration of relevant economic conditions. He noted that the State of New York as well as the nation were in a severe recession was a fact that should be considered by the Panel. Numerous BNA Reports, newspaper articles and statistical data chronicling the recession were received as evidence (C#47-64). Indicators of a declining economic condition such as: industrial output, unemployment and G.N.P. were cited in the Daily Labor Report and other documents/articles.

With respect to the specific economic conditions in Peekskill and its ability to pay, the City Manager, Mr. Joseph Seymour testified that the current situation was "grim". He testified that since 1983 the City has engaged in deficit financing, however, recent cuts in state aid had exacerbated the problem. According to Seymour, the \$700,000 reduction in state aid to Peekskill would add \$10.00 for each \$1000.00 in assessed valuation or add approximately \$100.00 to the property tax bill of each homeowner. Peekskill relies heavily on state aid or state revenue sharing as it ranks 6th in the State (C-89). Reductions in state aid of \$2,800,000 for the school district would add

\$46.00 per \$1000.00 assessed valuation or \$460.00 per homeowner for a total of \$560.00 in additional taxes. Mr. Seymour testified that a one dollar tax increase yielded \$70,000 in revenue.

In addition, he indicated that Peekskill was near last in property value and that its bond rating had declined from a BAA rating to a baa. Numerous exhibits were introduced to establish the declining tax base and revenue sources for the City. Aided by documents, Seymour testified that Peekskill had the lowest tax levy of Westchester County cities, the third lowest per capita income (C-66), the second lowest median income (C-67), the fourth highest proportion of low income housing units per 100 dwelling units (C-68) and the highest in North Westchester County (C-69).

Further testimony and documentation indicated that Peekskill was 19th from the highest in debt per capita of 61 Westchester County jurisdictions exceeding Yonkers which ranked 18th (C-72) and surpassed all proximate Ulster and Westchester County comparables (C-71). Peekskill also ranks 4/61 in debt limit exhausted (C-73).

Given the City's reliance on property tax revenue its lowest ranking in Median Value of Housing among the six Westchester cities (C-74), the decline in Building Permit Revenues (C-75), decline in Single Family Residential Sales (C-76) and low percentage increase in assessed valuation (.1%) (C-80) as well as the increase in property tax

delinquencies (C-88) and foreclosures (C-78) are matters of concern.

Mr. Seymour also noted that pending litigation between the State and Utility Companies (Special Franchises) could adversely affect Peekskill by causing a \$6 million dollar assessment reduction (C-83,84). Moreover, Special Assessment Districts (ie. Parking District) whose tax revenues pay for special services have also been subject to certiorari challenges in court, resulting in a revenue decline(C-85).

The witness testified that the City's Fund Balance has been declining and was 1.8 million as of 1/1/90 (C-86). To effectuate economies, a hiring freeze which may save \$500,000 was imposed, leaving vacancies unfilled in the police and D.P.W. departments. In order to balance the fiscal 1991 budget a tax increase of 9% was projected and if wage increases being sought were realized a tax increase of 14-15% might be necessary. Inasmuch as the City already ranks highest in tax rate in Westchester County (C-92,93) with a tax range exceeded only by Mount Vernon (C-91) additional tax increases could be construed as onerous.

In cross-examination, the Union Chief Negotiator reviewed the City's data and queried the witness about a 6/89 auditors report describing the City as in "great shape" Also, purchases of new fire trucks and revenue from the Special Assessment Districts were reviewed. According to

Mr. Seymour, the Waterfront Development Project has been halted and the Charles Point Industrial Park is 33% vacant.

Mr. James Madaffari, Assistant City Manager whose duties include personnel matters testified that the staffing levels of the Peekskill and Lake Mohegan Fire Departments were similar. In terms of deployment there are 6 firehouses which required 24 persons to maintain on a 24 hour basis. Tours of duty were either 7 a.m. to 5 p.m.(10 hrs.) or 5 p.m. to 7 a.m. (14 hrs.). According to Mr. Madaffari, the primary responsibility of the Firefighters was to drive the apparatus.

Through this witness several additional exhibits were introduced. Peekskill Firefighter salaries as of 12/31/88 were compared to Beacon, Kingston, Newburgh and Poughkeepsie (C-132). The City also introduced comparative documentary evidence with respect to: Day/Night Annual Schedules (C-125 and workload data (C#126-130).

ISSUE: Health Insurance

CITY POSITION

As part of its cost saving initiatives, the City originally proposed that employees assume 30% of their Health Insurance costs. Although the City left the State Plan because of annual increases estimated at 25% per year, the City's own MEBCO Plan has also increased significantly. The current \$4800 per annum cost for family coverage is projected to increase 13% to 20%, effective January 1, 1992

(C-140). Using the 1989-92 police contract (C-35,p.6) as a guide, the City amended its proposal to provide that it pay the first 8% in health insurance increases (10% in the first year), the Firefighters the next 5% and any increases above 13% would be shared 50%/50%.

To support its position that employee contributions to rising health insurance costs are commonplace, the City introduced several police interest arbitration exhibits. For example, in Scarsdale a dual coverage proposal for new hires was awarded while the effects of a switch to a new plan was studied (C-109); in Larchmont (1988) a Stipulation of Agreement provided a lump sum payment in lieu of dental premiums (C-111); in Croton police employees are required as of 1/1/90 to pay 25% of the family health insurance premiums (C-112) and effective 6/1/89 police employees in the Village of Mamaroneck are required to pay 25% of the individual or family plan (C-114). Finally, in Pelham Manor commencing 1/1/88 the Village could select an alternative carrier and pass 50% of the savings on to the employees (C-116).

As additional support for its proposal to increase firefighter contributions to their health insurance premiums exhibits derived from articles and reports were introduced as evidence. In Exhibit C-99, a cumulative 20 year increase of over 1000% in health insurance costs is noted. Other exhibits describe increased health insurance costs from a regional and/or national perspective while reviewing various remedies and bargaining strategies (C#100-107,119).

Additionally, the City maintained that the Firefighters Contract would, as had all previously negotiated contracts with police and blue and white collar Teamsters units, require a quid pro quo trade-off between wage increases and health insurance contributions (C-139).

Finally, the unratified Stipulation mentioned earlier as part of the bargaining history (C-46) contained a concession on health insurance as agreed to by the police.

ISSUE: OTHER ECONOMIC BENEFITS

The City presented documentary evidence regarding the following proposals of the Union with cost analysis: dental (C-134); vacation leave (C-136); longevity (C-137); uniform allowance (C-138). A comparative analysis which addressed the Union's Agency Shop demand was also provided (C-135). Finally, the retirement costs for Firefighters in Section 384(d) was presented (C-133).

NON-ECONOMIC ISSUES

Under this heading, a comparison of the "Days Within Which a Grievance Must Be Filed " in various Westchester County Firefighter Contracts was entered as evidence pursuant to a City demand that the 30 day period in Peekskill be reduced to ten (10) calendar days.

ANALYSIS/DISCUSSION

Several factors have complicated the resolution of the instant impasse, including the passage of time during

which economic conditions have further deteriorated, the paucity of equivalent Firefighter bargaining units with which to reasonably compare Peekskill and the settlement of police and other municipal contracts on terms unprecedented for Peekskill Firefighters.

The City presented a credible case that its ability to pay has been adversely affected by declining state aid coupled with a national recession. Declining property assessments and residential property sales, reduced tax revenues and its counterparts: increased tax delinquencies, foreclosures and certiorari appeals are persuasive evidence of an economic downturn. When the Panel further considered the unfavorable economic factors "normally" confronted by the City evidenced by a high tax rate and relatively lower per capita and household income, current economic problems exacerbated the pre-existing conditions.

While the Union maintained the existence of a 1.8 million dollar General Fund Balance as of 1/1/90 was a positive factor, the City provided data to show that this balance has declined over the past three years (C-86). With decreasing revenues, particularly \$700,000 less in state aid and \$2,800,000 less in school aid as well as relatively lower tax revenues from residential and commercial property, the City faces unenviable choices should the economic downturn persist. Although certain economies have been instituted, the City which has benefitted from fiscal conservatism has not yet reached a point where reasonable

total package wage increases of the magnitude given the police department and other municipal bargaining units is unfeasible.

Applying the statutory criterion of comparability is also problematic in the instant case. The City was persuasive in its argument that neither White Plains, New Rochelle nor Mount Vernon were comparable to Peekskill because their paid personnel are five to seven times larger than the 25 person Peekskill unit and that Rye is more akin to Larchmont, Harrison or Mamaroneck. The City's proffer of Ulster County Fire Departments such as: Newburgh, Beacon, Poughkeepsie and Kingston presented sufficient dissimilarities, despite commuting time proximity, to be useful.

In many respects Lake Mohegan, located in Northern Westchester County with a population of 38,000, a Fire Department with 17 paid employees and a history of referring to Peekskill for wage comparison purposes serves as the best comparable (C-25). In this connection, the Panel notes that on 12/31/88 Lake Mohegan firefighters earned \$31,326 after 4 years compared to \$32,786 for Peekskill Firefighters -- a difference of \$1460. Scheduled increases for Lake Mohegan Firefighters will provide: \$33,362 effective 1/1/89; \$35,364 effective 1/1/90 and \$37,486 effective 1/1/91 (C-108).

Given the foregoing analysis and considering an ample record of previous police and firefighter arbitration awards, the City of Peekskill firefighters have been found

most akin to Peekskill police in terms of comparison with its public safety units. Whereas similarities can be found with jurisdictions outside Westchester County on certain measures of comparability (ie, size of unit, population and proximity) other factors such as fiscal condition and job function undermine the comparison. Within Westchester County, Peekskill differs significantly from the larger cities, yet is clearly distinguishable from the suburban towns with high property values and lower fire alarm incidences.

In reaching an equitable settlement, the Panel was guided by the historic relationship existing between police and firefighter compensation in Peekskill.

While never a parity relationship, since 1980 top step police salaries have regularly exceeded firefighter salaries by approximately \$700,000. This was the case on 12/31/88 when the current contract expired; firefighter's wages were \$32,786 and police wages \$33,485 (C-26). One plausible explanation for the difference has been the greater difficulty in recruiting police officers. The 1/1/89 through 12/31/91 Police Agreement increases wages 7.0% in each year as follows:

1/1/89	\$35,829
1/1/90	\$38,337
1/1/91	\$41,021

The Panel further notes that the 3 year police agreement effective 1/1/89 initiates a cost sharing

provision whereby the police employees participating in the MEBCO family plan equally share premium increases that exceed the January 1, 1989 "threshold obligation". The City pays the full premium increase up to 8% of any family plan increase; individual unit members pay the full increase to the extent the premium increases exceed 8% of the 1/1/89 rate; and the City and the individual unit members pay equal shares of any increases in excess of the 1/1/89 premium rate. The parties provided alternatives of reducing coverages or changing plans if the rate increase were to exceed 8% (C-33).

Acknowledging the trade-off between health insurance contributions and salary increases negotiated by the police unit and other municipal units, the Panel concludes that the maintenance of the relationship between police and firefighter salaries requires a similar adjustment by the Firefighters Association. This is particularly true where, as herein, a majority of the Panel agrees to increase wages to a level higher than those set forth in Exhibit C-46, albeit unratified. Moreover, the Panel finds that declining economic conditions unabated at this juncture necessitate a slight deviation from the police/fire pattern with respect to longevity payments and uniform allowances. The status quo seems appropriate for other economic benefits. It is also noteworthy that the police agreement is a three (3) year agreement as opposed to the two(2) year agreement awarded herein. Should the economic situation improve, the

1991-92/93 Firefighter contract can reflect the changed circumstances. Conceivably, were the parties able to accurately predict the current economic situation the Police Agreement may not have been feasible.

Accordingly, the Interest Arbitration Panel Majority Awards as follows:

AWARD

ISSUE #1: Salaries

Article V. Wages-Longevity-Overtime-Mutuals shall be amended as follows:

January 1, 1989	Salaries
Starting	\$18,666
After 1 year	\$24,154
After 2 years	\$29,642
After 3 years	\$35,130

January 1, 1990	Salaries
Starting	\$19,973
After 1 year	\$25,861
After 2 years	\$31,749
After 3 years	\$37,638

Section B. Longevity shall be amended as follows:

	1989	1990
After 8 yrs of service	\$150	\$250
After 12 yrs of service	\$300	\$500
After 16 yrs of service	\$450	\$750

ISSUE #2

Article VI. Uniform Allowance shall be amended as follows:

Effective 5/1/89 -- \$350.00
Effective 5/1/90 -- \$375.00

ISSUE #3 Article VII, Holidays shall be amended by adding one day and increasing four(4) days to five(5) days in paragraph one, effective 1/1/90.

ISSUE #4 Article VIII, Section A, Sick Leave-Bereavement Leave-Personal Leave shall be amended as follows:

Where the term one hundred(100) days appears in section A, para. 3 and Sub-section A.2 change to: fifty(50) days.

ISSUE # 5 Article X, Hospitalization and Dental , Section A, Health shall be amended to conform to the Stipulation of Agreement between the City of Peekskill and the Peekskill Police Association, Exhibit # (C-33). These Health Insurance terms and conditions shall be retroactively effective to January 1, 1989. Any monies due the City upon implementation of the MEBCO Plan shall be retroactively deducted from the paychecks of the employees.

ISSUE #6 Article X, Section B, Dental shall be amended to provide for a maximum contribution for family coverage of \$520.00 and \$231.00 for individual coverage for the life of the agreement.

ISSUE #7 A New Article shall be added which provides that the City shall make the necessary arrangements for the employees to participate in the New York Deferred Compensation Plan.

ISSUE #8 Article XX , Term of Agreement, shall be amended to be effective as of January 1,1989 and continue through December 31, 1990.

NOTA BENE: All terms and conditions remain unchanged except as herein modified by the instant Interest Arbitration AWARD and all other demands of the parties are denied.

Concurring/Dissenting

Concurring as to Issues Nos. _____
Dissenting as to Issues Nos. _____

Robert T. Simmelkjaer
Professor Robert T. Simmelkjaer, Esq.
Panel Chairman

State of New York) SS:
County of New York)

On this 11th day of November, 1991 before me came Robert T. Simmelkjaer to me known to be the person who executed the foregoing Arbitration Award and he duly represented to me he executed the same.

STATE OF NEW YORK
COUNTY OF NEW YORK
SUBSCRIBED AND SWORN BEFORE ME

THIS 11th DAY OF November 1991
Bernard Cohen NOTARY

BERNARD COHEN
Notary Public, State of New York
No. 44-5735901
Qualified in Rockland County
Certificate Filed in New York County
Commission Expires June 30, 1992

Concurring/Dissenting

Concurring as to Issues Nos. 1, 2, 3, 4, 6, 7, 8
Dissenting as to Issues Nos. 5



Thomas F. DeSoye, Esq.
Employee Panel Member

State of New York) §5:
County of Westchester)

On this 12 day of November 1991 before me came Thomas F. DeSoye to me known to be the person who executed the foregoing Arbitration Award and he duly represented to me he executed the same.

MARIE A. FISHER
Notary Public, State of New York
No. 4078344
Qualified in Westchester County
Commission Expires March 28, 1993

Marie A. Fisher

Concurring/Dissenting

Concurring as to Issue Nos. 2, 3, 4, 5, 6, 7, 8
Dissenting as to Issue Nos. 1



David M. Wirtz, Esq.
Employer Panel Member

State of New York } SS:
County of NASSAU }

On this 12TH day of NOVEMBER, 1991 before me came David M. Wirtz to me known to be the person who executed the foregoing Arbitration Award and he duly represented to me he executed the same.



RICHARD ZUCKERMAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01ZU4732207, NASSAU COUNTY
COMMISSION EXPIRES 12/31/97