

STATE OF NEW YORK
PUBLIC EMPLOYMENT RELATIONS BOARD
INTEREST ARBITRATION PANEL

IN THE MATTER OF THE COMPULSORY
INTEREST ARBITRATION BETWEEN

GLENS FALLS POLICE BENEVOLENT
ASSOCIATION

2-11-01

-and-

OPINION AND AWARD

THE CITY OF GLENS FALLS

PERB CASE NO.: IA200-021; M200-018

PUBLIC PANEL MEMBER:

THOMAS N. RINALDO, ESQ.
P.O. BOX 1334
WILLIAMSVILLE, NY 14221
(716) 884-6733

SEP 06 2001

PUBLIC EMPLOYER PANEL MEMBER:

J. LAWRENCE PALTROWITZ, ESQ.
BARTLETT, PONTIFF, STEWART & RHODES
P.O. BOX 2168
1 WASHINGTON STREET
GLENS FALLS, NY 12801
(518) 792-2117

EMPLOYEE ORGANIZATION MEMBER:

EDWARD W. GUZDEK
POLICE CONFERENCE OF NEW YORK, INC.
112 STATE STREET, STE. 1120
ALBANY, NY 12207
(518) 463-3283

APPEARANCES

FOR THE CITY OF GLENS FALLS:

Paula Nadeau Berube, Esq.
Attorneys for the City of Glens Falls
One Washington Street
P.O. Box 2168
Glens Falls, NY 12801-2168

FOR THE GLENS FALLS POLICE BENEVOLENT ASSOCIATION:

James B. Tuttle, Esq.
Attorneys for the Glens Falls
Police Benevolent Association
634 Madison Avenue
Albany, NY 12208

BACKGROUND

The City of Glens Falls, New York, (hereinafter "The City"), is situated in the eastern portion of upstate New York, approximately 50 miles north of the City of Albany. The City and the City of Glens Falls Police Benevolent Association, Inc. (hereinafter "The PBA"), are signatories to a collectively negotiated agreement that expired on December 31, 1999. The Parties began negotiations for a new Collective Bargaining Agreement on or about December 15, 1999, and met several times thereafter on December 29, 1999, January 12, February 1, February 28 and March 13, 2000. The Parties were not able to agree to a new Collective Bargaining Agreement during these negotiation sessions.

On April 19, 2000, the Parties filed a Declaration of Impasse with the New York State Public Relations Board (hereinafter "PERB"), jointly requesting the services of a mediator.

Mediation sessions were conducted on June 6, June 21, and July 12, 2000. The Parties were still unable to agree to the terms of a new Collective Bargaining Agreement, and on October 24, 2000, the PBA filed a Petition for Compulsory Interest Arbitration. On October 30, 2000, the City filed its response to the PBA's Petition for Compulsory Interest Arbitration.

On November 21, 2000, the members of the Public Arbitration Panel for the Compulsory Interest Arbitration were designated by PERB to be, Thomas N. Rinaldo, J. Lawrence Paltrowitz, and Edward W. Guzdek. The Compulsory Interest Arbitration hearing was held at the Law Offices of Bartlett, Pontiff, Stewart & Rhodes, P.C., in Glens Falls, New York, on April 20, 2001.

At the conclusion of the hearing, the Parties were afforded an opportunity to submit post-hearing arbitration briefs.

After the receipt and review of said post-hearing briefs, the Panel met in an executive session on July 11, and July 30, 2001.

The Panel, in arriving at its determination, considered the following factors as specified in Section 209.4 of the Civil Service Law:

- a. comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with 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 qualification; (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.

WAGES

City's Proposal:

Article 7 - Compensation
2.5% increase in 2000
2.5% increase in 2001

PBA's Proposal:

Article 7 - Compensation
4.0% increase in 2000
4.0% increase in 2001

BACKGROUND ON SALARY

The bargaining unit consists of approximately 29 full-time police officers including 20 patrol officers, 1 detective, 4 sergeants, no lieutenants and 2 captains. As of December 31, 1999, a police officer's top salary consisted of \$36,623.00; a detective, \$40,128.00; a sergeant, \$39,079.00; and a captain, \$41,178.00. These figures include salary and longevity, but do not include clothing allowance, cleaning allowance, range pay and any other form of guaranteed cash payment.

The PBA contends that the Glens Falls Police Department is grossly underpaid, and even if this Panel were to grant the 4% requested raises and the longevity package for the two years in issue, the Glens Falls PBA would still be below other police departments that the PBA contend are comparable departments.

The PBA submitted the following schedule to illustrate the low wages paid to a Glen Falls police officer:

<u>Police Department</u>	<u>Total Cash Compensation*¹</u>	<u>2000</u>	<u>2001</u>
Glen Falls (These figures <u>include</u> the requested 4% raises each year <u>and</u> the longevity package)		39,788	41,311
Amsterdam (assuming 3% raises each year; 3% raises were received for 1997, 1998, and 1999)		44,191	45,493
Glenville (assuming 2.9% raises each year; 2.9% raises were received for 1998 and 1999)		50,087	51,479
Rotterdam (assuming 3.0% raise for 2001; prior raises were 1998--3%, 1999--3%, 2000--3.5%)		53,754	54,874
Saratoga Springs		46,183	47,504
South Glens Falls (the survey information set forth in PBA Exhibit "10" proved to be incorrect. The numbers set forth here are taken from the actual contract which appears as the City's Exhibit "11")		36,667	37,367
Warren County Sheriff's Department		39,242	39,981
Watervliet Police Department (Assumes a 3% raise for 2001 even though 4% raises were received for 1998, 1999, and 2000)		46,767	48,128

¹This figure includes wages, longevity, clothing allowance, range pay and any other form of guaranteed cash compensation.

The City is proposing a 2.5% wage increase across the board for the years 2000 and 2001, respectively. According to the City, a 2.5% wage increase would give the PBA members the same salary increase that was recently negotiated with the City of Glens Falls and CSEA for the years 1999 and 2000. This proposal is also in line with salary increases that have been agreed to by the City of Glens Falls Firefighters, who will receive a 2.5% increase in 2000 and a 3% increase in 2001. According to the City, if the 2.5% wage increase is awarded PBA members they would be earning more than both the City of Glens Falls CSEA members and Glens Falls Firefighters.

The City contends that their wage offer is also in line with other local and comparable police departments and public sector settlements citing the following for this Panel's consideration:

<u>Employer</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
City of Glens Falls PBA	2.5%	2.5%		
Warren County PBA (Steps 1-4 frozen)	2.75%	0%	2.0%	2.0%
City of Glens Falls CSEA (Steps 1-4 frozen)	2.75%	2.5%	2.5%	3.0%
Village of Hudson Falls CSEA	2.6%	2.85%	2.85%	
Johnstown PBA	2.8%	3.0%	3.0%	
Village of South Glens Falls PBA (Steps 1-4 frozen)	3.0%	3.0%	2.0%	2.0%
Glens Falls Firefighters	2.5%	2.5%	3.0%	3.0%
Village of Hudson Falls PBA	2.6%	2.85%	2.85%	3.0%
Granville PBA		2.5%	3.0%	3.0%

COMPARABLE COMMUNITIES

The Parties were unable to stipulate to communities they considered to be comparable to the City of Glens Falls, or to police departments similar in size and responsibility to the Glens Falls Police Department. They did however, present data from municipalities and collective bargaining agreement from cities and town that are located in close proximity to the City of Glens Falls. In addition, both Parties submitted the settlements of the City of Glens Falls and CSEA, the Warren County PBA, the Village of South Glens PBA, and the Glens Falls Firefighters, advocating that this Panel should consider them in arriving at its determination for a fair wage increase.

We, the Panel, in arriving at our decision found the communities and municipal contracts cited by the Parties relevant to our determination herein. We therefore chose not to exclude any of the data of the municipalities selected by the Parties as comparable communities.

ABILITY TO PAY

The PBA offered the testimony of financial expert, Edward Fennel, who gave his opinion that the City of Glens Falls was in sound financial shape citing a healthy fund balance, and the fact that the City had not reached the constitutional limit for borrowing. Mr. Fennel also cited the fact that the Common Council voted in December, 2000, to approve a 3% cost of living increase to non-union employees for 2001. According to Mr. Fennel, this was evidence that the City had budgeted for, or planned similar increases for City and Union employees. Mr. Fennel testified that the City

of Glens Falls enjoys the presence of 18 major industrial and institutional employers, including three with over 500 employees, six with between 250 and 500 employees, and nine with between 50 and 250 employees. According to Mr. Fennel, this is “remarkable” for a small city in Upstate New York.

Mr. Fennel submitted data to demonstrate that the City of Glens Falls tax rate is significantly lower than the average tax rate of eight represented small cities in the area. According to Mr. Fennel, the City of Glens Falls is well within its constitutional tax limit, with a margin representing more than 62% of its total constitutional tax limit. Mr. Fennel opines that the City budgets very conservatively and has finished the last three fiscal years with a significant fund balance. According to Mr. Fennel, the fund balance for 1998 was \$1,542,984.00 and for 1999, \$1,708,396.00.

The PBA contends that the City’s good financial condition came, at least in part, at the expense of the employees of its police department.

The City Comptroller, Bruce Crouser, testified that the Panel must look beyond the bare balance sheet and budgets for 2000 and 2001 in order to get a full assessment of the financial condition of the City. Mr. Crouser stated that any proposed wage adjustment was not included in the City’s 2000 or 2001 budget and would have to come out of the general fund balance. Mr. Crouser further testified that the proposed salary increases did not include retroactive raises in connection with the overtime worked by the PBA members in 2000 and thus far in 2001. Total overtime cost to the City for PBA members in 2000, without the raises, was \$194,000.00. This averages to \$6,258.00 per member with some members earning 30% to 36% over their base salaries in overtime.

Mr. Crouser testified that real estate taxes in the City of Glens Falls have risen every year since 1998. Mr. Crouser indicates a recent alarming trend that taxpayers in the City of Glens Falls have been increasingly delinquent in paying their real estate taxes, and that \$1,316,102.49 was owed

by taxpayers as of March 31, 2001. This number is up from \$812,358.61 at the end of 1999, and \$889,708.91 at the end of 2000. Mr. Crouser testified that the City is severely affected by the failure of taxpayers to pay their real estate taxes, especially because the City is obligated to pay the City School District for uncollected school taxes out of the City's funds.

Lastly, Mr. Crouser testified that when the City of Glens Falls is compared to municipalities that neighbor the City, the City of Glens Falls has a much higher tax rate than its neighbor municipalities. Mr. Crouser pointed out two large businesses in the City, Native Textiles and Andritz Ahlstrom, have recently laid off the vast majority of their workers, and have relocated or shut down production.

PANEL'S DETERMINATION ON SALARY

This Panel has carefully reviewed the statistical data and arguments presented by the Parties in arriving at our determination that the City of Glens Falls Police Officers are entitled to a reasonable wage increase in excess of the 2.5% increase per year offered by the City and less than the 4% per year wage increase requested by the PBA. If we compare the City of Glens Falls Police Department, with the police departments the PBA contends are compatible, we determine that a Glens Falls police officer, even if we were to award the 4% pay raise requested, would not be at, or near the top, of the salary scale of communities the PBA contend are comparable police departments. However, if this Panel were to award the 2.5% per year offered by the City, we the Panel are persuaded, that the Department would find that their salaries, on average, would begin to fall below that of comparable police departments in surrounding communities. Also significant to our determination, is the fact that settlements in and around the area of the City of Glens Falls

range from a low of 2% to a high of 3% of local and comparable police departments and public sector entities. Also significant, but not controlling, is the fact that the City of Glens Falls Firefighters will receive a 3.0 % increase in 2000 and a 3% increase in 2001.

Regarding the City's ability to pay, we, the Panel, find that the City has the resources to fund a reasonable pay increase. The City also is well within its constitutional tax limit, with the margin representing more than 62% of its total constitutional tax limit. The City's fund balance increased in 1999 over 1998, and for the year 2000 it is expected that the City will have a fund balance between \$1.2 and \$1.3 million. If the City decides to fund wage increases from current resources, the City has an adequate fund balance to meet the cost of any reasonable wage increase awarded by this Panel. This Panel is also convinced that any award made by this Panel will not adversely affect the level of services provided to the community by the City.

Police personnel provide an essential public service to the community that public officials and residents must be prepared to address and support. No other public employee except for fire personnel face the same or similar challenges and demands on a daily basis, nor are exposed to the same dangers and risks, as that of a police officer.

We, the Panel, therefore, make the following.

AWARD

A police officer shall receive a 2.5% salary increase retroactive to 1/1/00.

A police officer shall receive an additional 2% salary increase retroactive to 1/1/01.

A police officer shall receive an additional 1.5% salary increase effective 10/1/01.

HEALTH INSURANCE

City's Proposal:

Article 11 - Health and Dental Insurance

- A. Amend Section 11.1.1 through 11.1.5 to provide that employees will contribute toward their Health Insurance Premiums pursuant to an IRC Section 125 Plan as follows:

	<u>2000</u>			
	<u>Blue Choice</u>		<u>Blue Shield</u>	
	<u>City</u>	<u>Employee</u>	<u>City</u>	<u>Employee</u>
Individual	190.00	8.36	190.00	4.35
Two person	380.00	9.84	380.00	18.42
Family	500.00	79.81	500.00	36.29

2001

Effective January 1, 2001, the City will contribute the following percentages of the premium for the lowest health care provider as follows:

Individual	96%
Two person	94%
Family	92.5%

Choices for Health Insurance Providers would be limited to Empire Blue Cross-Blue Choice, MVP or other equivalent selected by the City.

- B. Amend Sections 11.2.1 through 11.2.2 to provide that retired police officers who retire pursuant to the new Agreement shall contribute toward their Health Insurance Premiums in the same manner as current employees.

CITY'S POSITION

The City is proposing that PBA members contribute toward their health insurance premiums in exactly the same manner as all other union and non-union employees in the City of Glens Falls. Comptroller, Bruce Crouser, testified that contribution by employees is necessary due to the escalating costs of health insurance. In order to continue to be fiscally responsible the City must

obtain some relief from their employees, contends Mr. Crouser.

The City acknowledged that it would be difficult to require PBA members to contribute toward their health insurance premiums retroactively in 2000 and for the expired portion of 2001. Because the PBA members have not had to contribute toward their health insurance premiums over the last year and a half, they have received approximately 2% more in pay than the other City employees in 2000, and will receive another 3.1% more in pay for the year 2001, contends the City.

The City argues that in the comparable communities cited by the City, employees contribute toward their health insurance premiums. According to the City even under their proposal, the City will continue to pay 92.5% to 96% for the health insurance premiums of the PBA members.

The PBA points out that at the present time, the employer pays 100% of the health insurance benefits. According to the PBA, if the City's proposal were implemented, that would mean that each member enjoying family coverage would have to pay \$152.49 per month for the coverage, or \$1,830.00 per year. The top patrol officer's salary is currently \$36,623.00 per year with no longevity benefit. Imposing the requested health insurance contribution on an officer at that salary level would represent a 5% decrease in total annual compensation and would impose an even greater penalty on officers not yet at the top patrol officer's salary. According to the PBA, of the comparable communities cited by the PBA, most pay the same 100% employer-paid health insurance benefit now in place in the City of Glens Falls.

The PBA points out that under the City of Glens Falls proposal, the City's dollar contribution would be fixed, which would mean that any future increases in the cost of health insurance would be borne by the employee. The PBA asserts the relief requested by the City would represent an on-going inflationary salary decrease as the cost of health insurance goes up in the future.

DISCUSSION AND DECISION BY THE PANEL
REGARDING THE CITY'S HEALTH INSURANCE PROPOSAL

The City of Glens Falls, along with all public and private employers, have been faced with increases in health insurance at an alarming rate. As the cost of medical care continues to escalate insurance companies are passing on such costs to their consumers. Many employers are finding that they can ill afford to continue to grant wage increases and provide 100% paid health insurance. The cost becomes prohibitive. It is well know to this experienced Panel that employers are requesting and obtaining relief from the increases in health insurance premiums in the nature of employee contribution.

In analyzing the comparable municipalities chosen by the City and the PBA, we, the Panel, find that the majority of the contracts provide for some employee health insurance contribution. We are therefore prepared to make an award requiring employees to contribution monthly toward their health insurance.

We, therefore, make the following:

AWARD

Effective October 1, 2001, employees will contribute 5% toward the monthly health insurance premium of the health insurance selected by the employee. It is further our determination to cap said employee contribution at 5% of the 2001 premium rates. In other words unless the parties negotiate a different contribution in the future, employees will continue to pay 5% of the 2001 premium rate calculated to be :

	<u>EMPIRE</u>	<u>MVP</u>
Individual (\$223.26 x .05)	\$ 11.16	(\$210.86 x .05) \$ 10.54
2 Person (\$438.70 x .05)	\$ 21.94	(\$421.71 x .05) \$ 21.09
Family (\$652.49 x .05)	\$ 32.62	(\$566.72 x .05) \$ 28.34

AGREED UPON ISSUES

The Parties have agreed on certain modifications to the Collective Bargaining Agreement.

Those items agreed to are hereby incorporated and made a part of this Award and include:

- a. Weapons: Reference to "Glock 17" in Section 17.4.2 shall be eliminated and substituted with "semi-automatic pistol" which shall be uniform within the department.
- b. Sick Leave Call-In: Section 9.26.1 will be changed to substitute "one hour" for "thirty minutes" regarding notice for taking sick leave.
- c. Orientation Program: Provisions in Article 6 will be modified to delete existing language and substitute provision that new recruits will be subject to a twelve (12) week orientation program.
- d. Vacation Accrual: Clarify language in Section 9.1.16 that vacation is earned after completion of time in police service rather than City service.

REMAINING ISSUES **DISCUSSION ON REMAINING ISSUES**

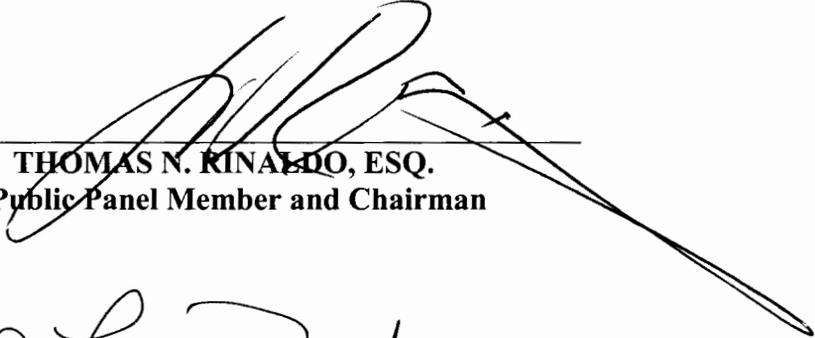
This Panel has carefully reviewed all of the proposals presented by the Parties, as well as the extensive and voluminous record in support of said proposals. We, the Panel, in order to reach a unanimous decision, found it necessary to conduct two executive sessions. The City's representative on the Panel vigorously argued for an award that would make this unit contribute the same toward health insurance as that of the other unions who had settled with the City. However, in order to

accomplish that goal, significant economic concessions would have to be made which would make the total package more expensive to the City than the existing award. Likewise, the PBA's Panel member argued that the award herein does not fairly compensate PBA members for the demanding, difficult and hazardous work performed by a City police officer. However, both representatives realized the inherent risk in refusing to make concessions, and after two long and exhaustive executive sessions, this award was unanimously agreed to.

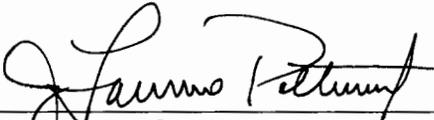
Compulsory Interest Arbitration is a procedure designed to bring finality to the collective negotiations between municipalities and their police and fire units. It does not always accomplish the best contract for the Parties. Although this Panel studied and discussed at length the many proposals presented, we found that our award grants PBA's members a reasonable, but not a generous, wage increase and the City an opportunity to begin receiving contribution toward health insurance cost. The Parties are encouraged to look to collective negotiations and not Compulsory Interest Arbitration to achieve a contract that may include many if not all the proposals presented to this Panel. Therefore, we make the following award on those issues not specifically addressed by this Panel.

AWARD

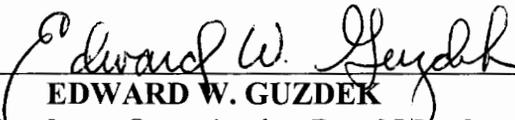
Any proposal other than those specifically modified by this Award are hereby rejected.



THOMAS N. RINALDO, ESQ.
Public Panel Member and Chairman



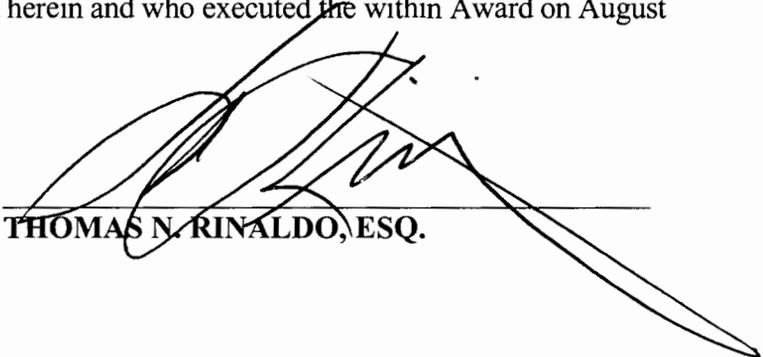
J. LAWRENCE PALTROWITZ, ESQ.
Public Employer Panel Member



EDWARD W. GUZDEK
Employee Organization Panel Member

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:
BUFFALO, NEW YORK)

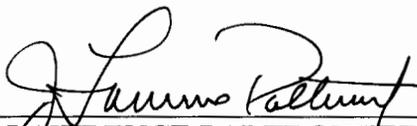
I, THOMAS N. RINALDO, do hereby affirm upon my oath as Public Panel Member and Chairperson that I am the individual described herein and who executed the within Award on August 31st, 2001.



THOMAS N. RINALDO, ESQ.

STATE OF NEW YORK)
COUNTY OF) SS.:
GLENS FALLS, NEW YORK)

I, J. LAWRENCE PALTROWITZ, do hereby affirm upon my oath as Public Employer Panel Member that I am the individual described herein and who executed the within Award on August 27, 2001.



J. LAWRENCE PALTROWITZ, ESQ.

STATE OF NEW YORK)
COUNTY OF) SS.:
ALBANY, NEW YORK)

I, EDWARD W. GUZDEK, do hereby affirm upon my oath as Employee Organization Panel Member that I am the individual described herein and who executed the within Award on August 31st, 2001.



EDWARD W. GUZDEK