
IN THE MATTER OF FACT FINDING BETWEEN:

TOWN OF HAMPTON NH

and

HAMPTON PROFESSIONAL FIREFIGHTERS, IAFF LOCAL 2664

and

HAMPTON FIRE DEPARTMENT SUPERVISORY ASSOCIATION,

IAFF LOCAL 3017

FACT FINDING REPORT & RECOMMENDATIONS

Background

The Town of Hampton, New Hampshire ("Town" or "Employer") and the Hampton Professional Fire Fighters Association, IAFF Local 2664, and the Hampton Fire Department Supervisory Association, IAFF Local 3017 are parties to a Collective Bargaining Agreement ("Agreement") that will expire March 31, 2014. The parties engaged in direct negotiations and a mediation session on October 17, 2013, before the undersigned. The parties were unable to reach an overall agreement at the October 17, 2013 mediation session, and the parties agreed to submit the unresolved issue to fact finding.¹ Richard Molan, Esq., represented the Union and Matthew Upton, Esq., represented the Town. The parties agreed to waive a hearing, and instead submitted documentation and arguments in support of their respective positions.

At the October 17, 2013 mediation session, the parties had a number of unresolved issues. The Union sought increases in the educational incentive, proposed to modify

¹ The parties have agreed to modify the medical steps upon renewal of EMT testing. This tentative agreement should be part of the new successor agreement.

the vacation carry-over, and proposed 2% across the board pay increases and step increases for those eligible (supervisors are not eligible for step increases). The Union also proposed a 2% across the board increase and step advancement for eligible employees for the second year of the Agreement.

The Town proposed to modify the sick leave provision in the parties' Agreement; to lower the monthly accrual and to reduce the maximum accrual of sick leave for members of the bargaining unit. The Town also proposed to have employees hired after April 2014 pay more for their health insurance premiums than current employees. The Town also proposed across the board increases of 1%, and step increases for each year of a proposed two-year agreement. The Town also proposed to eliminate the sick bank.

Introduction

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 present impasse. Fact-finding is a conservative process. Specifically, fact finders are interested in such concepts as prevailing standards, that is, what benefits and conditions of employment exist in other comparable communities, and provided to other employees working for the same Employer, and the historical relationship between the parties. I have attempted to make reasonable recommendations that are both fair and acceptable to the parties. Each of the issues will be separately addressed.

It should also be noted, however, that the recommendations are offered as a "total package" to resolve the current impasse.

Discussion

At the outset it is important to recognize the history of contract negotiations between the parties. Specifically, in 2003 the Town reached agreement with all of the Town Unions, including the firefighters, for a three-year period of time. Those agreements expired on April 1, 2006. After the three-year agreement expired, it was not until 2012, six years later, that the Town and the Firefighters Unions entered into agreements that were ratified by the voters. For the Firefighter Unions (superior and firefighters) the current agreement covered the period of 2012 through 2014. There can be no question that over that six-year period the overall salaries of Hampton Firefighters eroded when compared to salary and benefits paid to other New Hampshire Firefighters over that period of time. It would be in both the Union and Town's interest to reach a successor agreement, and not revert back to a situation in which the parties continue a period of protracted contract negotiations with no agreement. In order to reach agreement the best course of action would be for the parties to make no changes in current contract language, and to agree to a contract for only a one-year duration.

In particular, after a review of the parties' respective proposals, I recommend that there be no changes in contract language, either sick leave or sick bank (Town's proposals) or education leave (Union's proposal). Specifically, the evidence does not provide sufficient justification to modify the status quo for these contract provisions. The current contract provisions are well within

the norm as set forth in other firefighter collective bargaining agreements in the region.

Health Insurance

The current Agreement provides that the Town will pay 90% of the Matthew Thornton HMO plan, and 85% of the NHMA Blue Choice 3 Tier plan. The Town proposes that for new employees hired after April 1, 2014 that the Town will pay 80% of the Matthew Thornton coverage, and 75% of the Blue Choice 3 Tier coverage. The Union is opposed to making any changes in the Health Insurance coverage for the duration of the current agreement.

Unquestionably, the Town's proposal, by having new employees pay a higher contribution for their health insurance coverage than current employees, would save money for the Town in the long run. Moreover, the Town states that other Town employees were willing to agree that new employees should pay more for health coverage.

For a number of reasons, the Town's proposal cannot be recommended at this time. It must be remembered that during the last round of contract negotiations the parties finally agreed to a change in health coverage that saved the Town considerable costs as compared with the prior health coverage. The Town is seeking, yet again, another concession on health insurance during these negotiations. It is true that other Town employees appear willing to change health coverage for new employees. This fact, in and of itself, is not conclusive as to what should be the case for Hampton Firefighters. Specifically, it would be important to consider whether there is two-tiered health coverage for firefighters in other New Hampshire communities. There is no data to show that having different health coverage for new and incumbent firefighters is a

common practice. Indeed, because of the nature of the job, and as a general matter, it is not common for there to be two tier health benefits based on when a firefighter was hired. Moreover, a new firefighter on a family plan would, under the Town's proposal pay \$115.99 per week, a significant amount, especially in view of the very modest wage increase that is being recommended in this report. In other words, with the two tiered health benefit, Hampton firefighters would receive different levels of compensation even though they perform the same duties and have the same responsibilities. Unlike wage rates when new employees begin at a lower rate of pay and then progress through a wage progression, under the Town's proposal the compensation of new hires, because of the higher amounts they would have to pay for health insurance, would never be the same as those firefighters already on the job.

The Town is seeking a significant concession on health co-share amounts for new hires when, at the present time, the Town is receiving significant amounts in insurance premium refunds from the New Hampshire Local Government Center. Specifically, after court litigation the Local Government Center was mandated to return significant funds to New Hampshire cities and towns, including Hampton, for overcharges in health insurance premiums. In view of these health insurance refunds paid to the Town of Hampton there is insufficient justification to now seek any concession in health benefits. Obviously, these refunds will not continue, but at the present time there is insufficient justification to have new employees pay significantly larger amounts for health coverage than current employees. There can be no question that health insurance is in a state of constant change. Because of that I have

recommended no change in health coverage and this is the primary reason that I can recommend that the parties agree upon a one-year agreement. The issue of health insurance is in a state of flux with the implementation of the affordable care act, and not doubt will be subject in the party's successor negotiations. For a one-year agreement the parties should continue the status quo on health insurance.

Wage Increases

A the outset of negotiations, both parties were looking for a two-year agreement; the Union initially proposed 2% increases over the two-year period, and the Town proposed 1% increases over the same two-year period. Since negotiations with the two firefighter unions began, other Town employees have agreed to two year agreements and the pattern has been for two year agreements with a 1.25% increase plus step advancement for each year. As stated above, because I have not recommended any changes in health insurance, at this time I can only recommend a 1.25% increase for a one-year agreement. The fact that the Town and the other Unions agreed to 1.25% for the 2014-2015 contract period certainly shows the Town's ability to pay the same amount for the two Firefighters bargaining units. Moreover, it must be remembered that the Fire Superiors do not have step increases, unlike many other Town agreements. Thus, potentially the overall salary increase for the two Firefighter bargaining units will be less than the overall 1.25% increases and step advancement provided to other Town bargaining units in which employees receive step increases.

There can be no question that during the six years that the Town and Union were without contracts the salary rates of Hampton Firefighters and Superior Officers lost

ground when compared to their colleagues in the State of New Hampshire. A one-year agreement with a modest pay increase will ensure that the salary rates of Hampton Firefighters remain competitive with their colleagues in local communities.

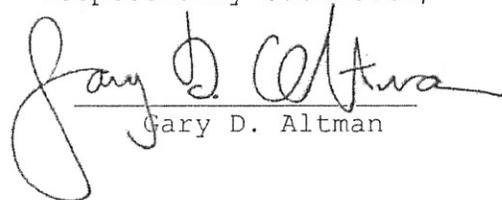
Recommendations

The parties should agree to a one-year agreement for both bargaining units. The Parties should agree that those employees eligible for step advancement should receive step increases. The salary schedule should be increased by 1.25%. There should be no other changes to the current contract language, except for the one tentative agreement relating to EMT testing.

Conclusion

Throughout this report, I have attempted to balance the interests of the Hampton Firefighters and Hampton Fire Superiors, the Town of Hampton and the citizens of Hampton. 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
December 16, 2013