

NEW YORK STATE
PUBLIC EMPLOYMENT RELATIONS BOARD
INTEREST ARBITRATION

NEW YORK STATE PUBLIC EMPLOYMENT
RELATIONS BOARD
RECEIVED
MAR 3
1980

CONCILIATION

In the Matter of the Arbitration between

City of Hudson, N.Y.

and

Hudson Police Benevolent Association

PERB Case Number: IA-116; M78-649

DISCUSSION, OPINION AND AWARD

OF

PUBLIC ARBITRATION PANEL

Appearances: For the City: Thomas G. Griffin, Esq.

For the PBA: Burns F. Barford, Esq.

An impasse having been declared in the negotiations of the above named parties with respect to reaching agreement on a successor contract to the one which expired April 30, 1979, a Public Arbitration Panel was established by the New York State Public Employment Relations Board pursuant to the provisions of the Civil Service Law, Section 209.4. The members of that Panel are:

PUBLIC PANEL MEMBER AND CHAIRMAN: Eric W. Lawson, Sr.

EMPLOYER PANEL MEMBER: John Galligan

EMPLOYEE ORGANIZATION PANEL MEMBER: Al Sgaglione

Hearings were held before the full panel, with both sides present and represented, in the City of Hudson on September 24, 1979 and October 10, 1979. A verbatim transcript was made of the hearings. The parties subsequently submitted briefs and additional material as noted at the hearings. The Arbitration Panel held an Executive Session in Albany, N.Y. on January 25, 1980. The Discussion and Award which follow are based on the record as so developed.

Statutory Standards

The Arbitration Panel was obligated to apply specific criteria in reaching its determination as set forth in Civil Service Law, Section 209.4, the pertinent provisions of which are set forth below:

Excerpts from Civil Service Law, Section 209.4
(As amended July 1, 1977)

(v) the public arbitration panel shall make a just and reasonable determination of the matters in dispute. In arriving at such determination, the panel shall specify the basis for its findings, taking into consideration, in addition to any other relevant factors, the following:

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.

Background

The City of Hudson is situated in Columbia County approximately 30 miles south of Albany, N.Y. The City has a population of about 8,900. The City has a collectively bargained agreement with one other employee group besides the PBA, represented by the CSEA. There are approximately 23 members of the PBA. Negotiations between the City and the PBA had been facilitated by the services of a mediator prior to the time the present impasse was declared.

The Issues

The Panel was called upon to make determinations with respect to the following matters:

1. Salary.
2. Increased shift differential.
3. Increased longevity payment.
4. Paid Easter Holiday or a floating holiday for birthday.
5. Additional day for personal leave.
6. Expansion of the four day bereavement period to include maternal and paternal grandparents and grandchildren.

In addition, the Panel had to determine whether the new contract would be one or two years in duration.

The parties stipulated that all other items to be included in the new contract had been agreed upon so that with the determination of the above issues a new contract could come into existence.

Discussion

I. SALARY

The position of the City was that wages should be raised by \$300, across the board, for the first year; and if there were to be a two year contract the second year raise should be \$350 across the board. The PBA position was that, for a one year contract, there should be a \$1200 across the board raise plus a cost of living adjustment. For a two year contract, the PBA position was that the first year raise should be \$1000 and the second year raise should be \$1200. Also, in each year there should be provision for a cost of living adjustment.

The major arguments and evidence placed before the Panel may be grouped under three headings, Cost of Living, Comparable Salaries and Wages, and

Fiscal Condition of the City.

1. Cost of Living - The PBA submitted an exhibit showing the changes in the Consumer Price Index as follows: For 12 months ending in July 1979 an increase of 9.2% for the New York City area and of 11.5% for U.S. City average. For 12 months ending in June 1979, the exhibit showed an 8.7% increase for the Buffalo (N.Y.) area. An additional computation by the PBA showed that from 1974-75 to 1978-79 the beginning salary of a patrolman had increased by 25.9% whereas the CPI had increased by 42.2%, resulting in an inflationary deficit of about 17% in pay.

The City submitted a calculation showing the actual salary of a police officer in Hudson from 1967 through 1978. These figures were deflated by the Buffalo CPI to show a real wage growth from \$5,959 to \$6,393. A similar calculation with respect to the starting salary (adding \$450 for uniform allowance in the last year) showed that it increased from \$5,350 to \$5,518 in real terms.

On the day the Panel met in executive session it was publicly announced that the CPI for the United States had increased during 1979 at a rate in excess of 13%.

2. Comparable Salaries and Wages - The City submitted an exhibit showing selected salary and other relevant information taken from the police contracts in eight communities located in the Hudson and Mohawk valleys. The following is a partial listing of such information:

<u>Community</u>	<u>Size</u>	<u>Starting Salary</u>	<u>Maximum Salary</u>
Catskill	5,300	\$11,483	\$12,523
Hudson Falls	7,700	10,443	11,717
Johnstown	10,000	11,000	13,100
Little Falls	7,600	9,176	10,377
Mechanicsville	6,200	11,067	12,977
Oneida	11,600	11,432	12,432
Rensselaer	10,100	10,700	13,803
Watervliet	12,400	11,586	13,974
Average	8,800	10,860	
Hudson	8,900	10,200	11,145

The contracts varied as to length and number of years covered, but the figures cited were those for some part of 1979, except for Mechanicsville which were 1978 figures. Additional information, not included above, relating to shift differentials, longevity payments and other matters was also shown in the exhibit.

The PBA cited in its testimony and entered as exhibits the contracts from several cities and towns throughout New York State which were selected allegedly because their size made them comparable to Hudson. The following is a summary of such citations:

<u>City</u>	<u>Entry Level Salary</u>	<u>Top Level Salary</u>
Batavia	\$11,305	\$13,736
Auburn	12,586	14,671
Rotterdam	13,704	15,632
Cortland	12,058	13,351
Rensselaer	10,700	13,803
Catskill	11,483	12,523
Troy	11,181	15,058
Watervliet	11,415	13,065
(Other jurisdictions)		
State Police	12,715	17,024
Columbia County Dep. Sheriffs	11,409 (No steps)	

The above figures were for some part of 1979.

In addition a summary of contracts throughout the State prepared by PERB was submitted as evidence.

3. Fiscal Condition of the City of Hudson - Various documents relating to the fiscal condition of the City were submitted, inclusive of:

City of Hudson--Summary of Budget--1978-1979 Fiscal Year and
1979-1980 Fiscal Year
Annual Report of City Treasurer for the Fiscal Year ended April 30, 1979
An Assessor's Listing--Taxable Assessed Valuation 1970 thru 1979
A Review of the Financial Documents of the City of Hudson by Edward J. Fennell
A Compilation of Fiscal Documents showing Fund Balances, Expenditures
and Indebtedness, Compiled by Edward J. Fennell from Official Sources

Salent facts derived from these documents include the following:

1. The budgeted real property tax levy for 1979-80 is \$631,994.75, an increase of \$33,969.87 over the previous year, requiring an increase in the tax rate of \$5.35.
2. Taxable Assessed Valuation in the City had risen from \$14,687,689 in 1970 to \$15,091,672 in 1979, but had fallen in 1979 by \$20,856 from the 1978 figure of \$15,112,528.
3. The budget for 1979-80 included as revenue an appropriation of \$125,000 from the unappropriated fund balance, leaving \$89,314.34 in that fund.
4. The amount budgeted for police salaries in the 1979-80 budget was \$303,450, an increase of 5% over the amount budgeted the previous year.

Mr. Ludwig Polidor, City Treasurer, testified that the City had a Surplus (cumulative) of \$384,903 in 1974 which had been reduced to \$214,314 by April 30, 1979 largely because of appropriations to the operating budgets to help stabilize the tax rate. He further testified that \$125,000 of the Surplus had been appropriated for the 1979-80 budget so that the unappropriated amount was now \$89,314.34. Mr. Polidor further testified that since the inception of the current budget year certain unanticipated expenses had been encountered which required him to make further appropriations from the Surplus. Other unanticipated expenses had required him to reduce the \$10,000.00 Contingency Fund. He

testified that unanticipated expenditures for such items, as health insurance, and energy, along with some unanticipated shortfalls in revenue would total \$38,250. He conceded, under cross examination, that there was a balance in the Federal Revenue Sharing Fund of \$11,300. He further conceded that some of the 1979-80 revenues, other than real property tax, had been conservatively estimated. He also conceded that it was probable that some of the City Departments would underspend their budgets as they had in the past.

The City introduced evidence to show that the ratio of tax exempt property in the City to all real property was about 61%, based on a 1977 report. There was testimony that part of the reason for such a high ratio was the fact that a substantial amount of urban renewal activity had removed property from the tax rolls.

A Community Profile, based on 1970 Census data showed that the City had a lower than State average per capita income and that it had in general suffered from economic decline. This Profile showed that since 1976 new industry had been attracted to the City and that the main retail area was undergoing a major revitalization.

Mr. Polidor testified with respect to a calculation he had made as to the costs of the PBA proposal for the first year. As amended, this calculation showed the total costs to be \$51,550, whereas the total cost of the City offer would be \$9,798. On cross examination he testified that \$20,450 had been included in the budget for anticipated police salary increases and the attendant increased costs for retirement and other payroll benefits.

Mr. Polido also testified that the City had entered into an agreement with the CSEA which provided for a wage increase of approximately 5% for each of two years.

Mr. Edward J. Fennell, a Municipal Finance Consultant, testified on behalf of the PBA as to his analysis of the fiscal affairs of the City. He testified that the current tax levy on real property leaves a 32% constitutional tax margin, which margin is 13% of the 1979-80 General Fund Appropriations. He further testified that the total debt of the city is 79.7% of the limit, but that much of the total debt is not subject to the constitutional limit. Hence, the debt subject to the limit is only 5.06% of the limit. (Mr. Polidor subsequently testified that the City's bond rating with Moody's is A-1.) Mr. Fennell testified that the 1979-80 budget estimated \$524,000 as State Per-Capita Aid whereas \$584,717 had been determined to be the amount by the State Board of Equalization and Assessment. (Mr. Polidor subsequently testified that a check for \$528,292.75 had been received from the State in June 1979, and that a further but unknown amount would be received.) Mr. Fennell testified that the budget sales tax estimate of \$140,000 was less than actual receipts in 1978-79 and that there should be a revenue surplus from this item. (It was shown on cross examination that he had used an incorrect figure for the 1978-79 receipts--\$160,657--and that the actual figure of \$155,600 was \$15,600 more than the estimate for 1979-80.) Mr. Fennell further testified that the 1979-80 budget for Personnel expenses in the Police Department was 5% more than the 1978-79 budget and 7.06% greater than actual expenditures in 1978-79.

No information was supplied during the hearings on wages and working conditions in private employment. However, at the request of the Panel Chairman such information was supplied by submission after the hearings closed. Such information consisted of unanalyzed labor contracts. The City supplied one such contract and the PBA supplied six. Where multi-year comparisons were possible these contracts showed steady increases during the periods covered.

Also, over half of them included some variety of cost of living adjustments in addition to annual increases.

Summary

The City argued that the police salaries in Hudson were not significantly out of line with other comparable communities. In fact, it argued that the generous allowances for such things as uniforms and holidays made up for the less than average formal salaries. Further, it argued that the fiscal condition of the city, considering the stagnant tax base, the declining Surplus and other matters, did not allow it to pay any more than it had offered.

The PBA argued that when compared to wage rates in cities of comparable size, whether located in the Hudson valley or not, the wage rates of Hudson police were considerably below the average, indeed, were very near the bottom rank. Further, it argued that the increase in the cost of living during recent years, particularly in the last year, had seriously eroded the existing wage. Further, the PBA argued that the City's fiscal condition did permit the payment of the requested raises inasmuch as a large part of the cost was already included specifically in the budget and that conservative budgeting with respect to both revenue and expense provided ample capacity to pay the requested raises.

Panel Opinion

The Arbitration Panel concludes that the PBA has made a case for an increase in wages. The Panel further agrees that neither the offer of the City nor the request of the PBA is justified. Finally, the Panel agrees that it would be unwise to conclude this matter with a single year contract inasmuch as the first year is more than half expired already.

Cost of Living

The majority of the Panel agreed that the rate of inflation applicable to the consideration of wages in the first year of the contract was well in excess of 8%. Further, it agreed that the applicable rate for the second year was in excess of 10%. The panel recognized that cost of living increases are not absolutely controlling with respect to wage increase, but it also recognized that such increases have come to have considerable weight in collective bargaining in both the public and the private sectors.

Comparability

The comparison of Hudson police salaries with the eight cities selected by the City is complicated by the ever present problem of evaluating fringe benefits. On the basis of salary alone Hudson's starting salary is lower than seven of the eight, as is the maximum salary for patrolmen. Further, the Hudson starting salary at \$10,200 is \$660 less than the average of the other eight. Its maximum patrolman salary at \$11,145 is \$1,455 less than the average for the other eight cities. The one city, Little Falls, whose salaries are less than Hudson for 1979 shows in its contract an increase for 1980 ranging from 10.% to 11.4%. The fringe benefits provided the Hudson police are superior in general to the other eight cities. The more liberal longevity payments in Hudson are of greatest benefit to the sergeants. Thus, of 18 patrolmen, six receive no longevity payments, seven receive the minimum \$250, one receives \$500 and three receive \$750. No doubt similar patterns exist in other departments, but the data were not made available to the Panel. The uniform allowance at \$450 per year is superior to those cities with a stated allowance. Since costs were not supplied to the panel it is difficult to compare the Hudson provision of \$450 with a provision which calls for another

city to provide the uniform, as is the case for three and possibly four of the other cities. The Hudson police have more leave time than the record shows for the other eight cities. The shift differential will be discussed below.

When comparisons are made of the Hudson salaries with the list supplied by the PBA the ranking of Hudson falls even farther than indicated above. Thus, the starting salary is under the comparison cities by a range of \$500 to \$3,500 and the maximum salary is under by a range of \$1,300 to \$4,400.

In choosing communities for comparability purposes the panel is confronted with the fact that no firm standards for comparability have been established. Size of community and size of the work force are significant considerations. Geographic location is frequently used as is illustrated by the frequent exclusion of New York City from comparisons made for up-state cities. In the present case the City chose communities in the Hudson River valley and two cities, Oneida and Little Falls, not directly associated with that valley--Cortland might just as well have been chosen.

The argument advanced by the City that comparability characteristics should give heavy weight to economic conditions in the areas compared loses part of its thrust when it is recognized that economic characteristics are reflected in the fiscal condition of the city being examined. Further, economic characteristics bear as much on the question of the level of services as they do on the rates of pay on public employees.

In the present case the majority of the panel gave predominant consideration to the list supplied by the City. However, it was recognized that police work is essentially the same in most small communities. Consequently the panel majority did examine the list supplied by the PBA and used those comparisons

to evaluate the relationships shown by the City list. Thus, the better fringe benefits in the Hudson contract were not judged to be an offset to the low salary schedule.

It is the conclusion of the majority of the Panel that police salaries in the City of Hudson are significantly lower than those in a large majority of comparable communities. The City of Hudson salaries lag behind by a range of 5% to more than 10%.

Financial Considerations

The majority of the Panel concludes that the fiscal condition of the City is sound. We also conclude that the increased cost mandated by the accompanying Award can be borne this year without resorting to borrowing. Obviously a cost will be incurred beyond what would have been the situation if the City offer had been accepted. Any cost is a burden, but the burden produced by this Award is not unreasonable.

There was unrefuted testimony that the City tax levy could increase by nearly half before it impinged on the constitutional tax limit. The City has exhausted less than 6% of its constitutional debt limit. Its bond rating of A-1 is evidence that its evaluation in financial circles is good. There is a reasonable certainty that it will receive over the budget estimate an additional \$60,000 in State Per Capita Aid. There is a likelihood that it will receive sales tax revenues in excess of the estimated amount. There was no evidence that the City had found it necessary to curtail essential services. There was testimony that it had instituted appropriate economies with respect to the conservation of energy. Thus, the Panel majority reaches the conclusion that the mandated increased cost can be borne in the current year with no adverse effects.

The slow growth in the real property tax base in recent years is obviously a matter to be recognized. For the next few years this stagnancy undoubtedly means that the tax rate will increase more than it would if the tax base were expanding. This situation, along with the accompanying problem of large tax exemptions raises questions more related to the future level of government services than to the current rate of pay for its employees. The maintenance of substandard wage rates is neither a fair nor feasible solution to the long range problem.

The Panel majority recognized the fact that the City does have a problem with respect to its fiscal affairs. Thus, it rejects the demand of the PBA for an increase which is estimated by the City to cost \$51,550 for the first year. Rather, the Panel majority estimates that the cost of the increase mandated by the accompanying Award will be about \$28,630 based on Mr. Polidnor's estimate that a 5% increase amounting to \$20,450 had been put in the 1979-80 budget to take care of police salary increases. The earlier analysis herein shows that this extra amount of \$8,180 can be absorbed in the current budget without difficulty. The cost of the second year adjustment is estimated at approximately \$35,000. The relative impact on the budget for 1980-81 cannot be stated because the relevant data were not made available to the Panel. However, recognizing that the increase would have a tax impact the Panel majority rejected the demands of the PBA and mandated an increase which is well below the increase in the cost of living.

The CSEA Agreement

The Panel considered the fact that the City had reached agreement with another group of employees calling for a 5% increase in wages. That agreement was not considered precedent setting for several reasons. In the first place, it is well accepted in collective bargaining circles that one union does not

determine the terms of another union's contract. Further, the CSEA contract was agreed upon before some of the more recent price increases were announced. Finally, there was testimony to the effect that the other union has traditionally received smaller raises than the police.

Guidelines

In deciding on salary increases of 7% for 1979-80 and 8% for 1980-81 the Panel majority was influenced heavily by the Federal program of Wage Guidelines. Thus, the current guidelines call for a ceiling of 7%. The guidelines for next year are reported to be in a range about one and one-half percentage points higher. Thus, our Award falls within acceptable limits when viewed from the standpoint of the Federal anti-inflation program.

II. FRINGE BENEFITS

The PBA, as noted above, requested adjustments in five fringe benefit areas. It offered no specific argument for any of these adjustments. Rather, it submitted several contracts covering police departments in other cities and invited the Panel to consider the fringe benefits provided by those contracts. The PBA provided no analysis of the benefits provided by the contract which has expired.

The City, on the contrary, argued specifically against each of the proposed adjustments. The City presented data on the fringes in the expired contract and those provided in what it considered to be comparable contracts. Briefly summarized that analysis showed the following:

1. Shift Differential - Hudson provides a differential of 15¢ per hour for those who work the second and third shifts. Five of eight comparable cities provide no differential, one provides for 10¢ (2nd shift)

and 15¢ (third shift), another provides for 20¢ and 30¢ and a third provides for 11¢ and 18¢.

2. Longevity Payments - Hudson provides longevity increments of \$250 per year at five year intervals up to twenty five years of service. Only two of the comparable cities provide as much as \$250 at five year intervals and one of those has a top limit of \$1,000. The other six cities have varying provisions with the maximum being \$600.

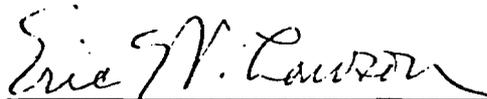
3. Paid Easter Holiday or Floating Holiday - The Hudson contract provides for 11½ holidays. Four of the comparable cities provide for 11 holidays, three provide for ten holidays, and one provides for nine.

4. Personal Leave - The Hudson contract provides for five personal leave days. Only one other comparable city provides for five. Four cities provide for three, one provides for two, one provides for one and one-half and two grant leave only by request.

5. Bereavement Leave - The Hudson contract provides for four days of bereavement leave not including grandparents or grandchildren. For grandparents and grandchildren it provides for 24 hours each. Three comparative cities grant four days of bereavement leave, four grant three days and one grants bereavement leaves on request. Practice varies with respect to grandparents and grandchildren, with one city making no special provisions, two cities provide one day for each. Three others recognize grandparents but not grandchildren and one city provides three days for grandparents and only one for grandchildren.

It was the unanimous opinion of the Panel that the PBA had not justified its demand for improvement in any of the fringe areas and further, it was their opinion that the City had demonstrated that the existing fringe benefits are adequate when judged by comparable cities.

The accompanying Award is based on the preceding analysis.



Eric W. Lawson, Sr., Arbitrator
Public Panel Member and Chairman

Canastota, N.Y.
February 28, 1980

Note: Panel member John Galligan has indicated an unwillingness to sign the Award in its present form. He has also indicated that he intends to file a dissenting Opinion.

NEW YORK STATE
PUBLIC EMPLOYMENT RELATIONS BOARD
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In the Matter of the Arbitration between

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PERB Case Number: IA-116; M78-649

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CONCILIATION

AWARD OF ARBITRATION PANEL

The Public Arbitration Panel, having been duly designated and having heard the proofs, and allegations of the parties, renders the following Award with respect to the terms of the Agreement between the City of Hudson and the Hudson Police Benevolent Association to replace the Agreement which expired on April 30, 1979. It is hereby noted that one member of the Panel, Mr. John Galligan, dissents from the Award with respect to Item 2, Salaries, otherwise the Award was unanimously agreed to by the Panel.

1. The term of the new Agreement shall be retroactive to May 1, 1979 and shall run for two years, terminating on April 30, 1981.
2. The salaries in the new Agreement shall be increased by 7% over those in the expired Agreement (rounded to the nearest dollar amount) for the first year of the Agreement. For the second year of the Agreement there shall be a further increase of 8% over those for the first year (rounded to the nearest dollar).
3. The payments for Shift Differential shall remain as provided in the Agreement which expired on April 30, 1979.
4. The payments for Longevity shall remain as provided in the Agreement which expired on April 30, 1979.
5. The provisions for Holidays shall remain as in the Agreement which expired on April 30, 1979.

- 6. The provision for Personal Leave shall remain as provided in the Agreement which expired on April 30, 1979.
- 7. The provision for Bereavement Leave shall remain as provided in the Agreement which expired on April 30, 1979.
- 8. By stipulation of the Parties the Agreement shall contain the remaining items of the expired Agreement except for changes which have been mutually agreed to, which changes shall be incorporated in the new Agreement.

SIGNATURES OF THE MEMBERS OF THE PUBLIC ARBITRATION PANEL

Concurring in the Entire Award

Eric W. Lawson

Eric W. Lawson, Sr., Arbitrator
Public Panel Member and Chairman

County of Madison)
State of New York)

On this 28th day of February 1980, before me personally came and appeared Eric W. Lawson, Sr., to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

Linda C. Chaffee

LINDA C. CHAFFEE, NOTARY PUBLIC
STATE OF NEW YORK, APPOINTED IN
MADISON COUNTY, NY COMMISSION
EXPIRES MARCH 30, 1980.

Al Sgaglione

Al Sgaglione
Employee Organization Panel Member

County of Albany)
State of New York)

On this 26th day of February 1980, before me personally came and appeared Al Sgaglione to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

Virginia Figsette

VIRGINIA FIGSETTE
Notary Public, State of New York
01-1236476
Residing in Albany County
Commission Expires March 30, 1981

Concurring with respect to Items 1, 3, 4, 5, 6, 7, and 8.
Dissenting with respect to Item 2.

John Calligan
Employer Panel Member

County of)
)
State of)

On this _____ day of _____ 1980, before me personally came
and appeared _____ to me known and known to me to be the
individual described in and who executed the foregoing instrument and he
acknowledged to me that he executed the same.



PUBLIC EMPLOYMENT
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IA-116, m78-649

DISSENT FROM AWARD

CONCILIATION

On January 25, 1980 an arbitration panel convened for the purpose of deciding a negotiation dispute between the city of Hudson and its police. The panel, by majority vote, reaches a conclusion with which I cannot agree. The majority has decided that for a two year period beginning April 1, 1979 the city of Hudson shall pay its policemen a wage increase of 7% in the first year and 8% of wages in the second year of this award. The result is an increase of 15.56% in wages over the two years of this award. All other benefit requests made by the Hudson PBA were denied. There were no arbitration demands presented on behalf of the city.

The city of Hudson is located in Columbia County. In 1970, the city had a population of approximately 8900 people. According to data submitted by the city, the per capita income in the city was approximately 56% of the state average as reported by the 1970 census. Some 12.4% of the city's families have income below the federal poverty level, approximately 50% higher than the rate for New York State as a whole. Statistics available to the panel reveal that 61% of all real property in the city is tax exempt. In addition, very little building activity has occurred in Hudson. As a result, the local real property tax base has not grown when examined over the past several years.

The negotiations for a 1979 contract stalemated and crystallize around several issues: salaries, differential pay, a longevity increase, an extra holiday, an additional personal leave day, and additional bereavement time for grandparents and grandchildren. As part of a process to resolve the impasse, mediation efforts were unsuccessful. While unmentioned by the majority the mediator in the instant dispute proposed that there be a salary increase of \$625 per man and that the bereavement leave request be granted. There would appear to be no additional supporting information introduced by the PBA in the time that has

clapsed since the issuance of the mediator's proposal to support its position other than a demonstration that the city has the ability to pay its demands. It is to be noted that a majority of the arbitration panel simply rejected the mediator's proposal on the ground that different facts were available to the panel that were not available to the mediator. The validity of this statement rests upon the fact that the city introduced additional evidence to support its position, not the PBA. The panel majority simply had no desire to seek to justify its significant departure from the mediator's proposal.

The Taylor Law provides for standards which an arbitration panel must consider in making its determinations. The panel has some discretion to examine other factors which may be brought to its attention. The statutory criteria, however, are simply not reflected in the award of the majority.

One criteria imposed upon the panel is a comparison of agreements negotiated between the parties in the past. The PBA presented testimony that in the five years prior to the instant dispute, base pay had increased some 25%. Thus, with respect to this item alone, parties had never intended to match advances in the Consumer Price Index in their wage scales. In the five years in question, one contract was settled by arbitration; all the rest through negotiation. The city has followed the practice of compensating its policemen to a greater degree than its other employees. It is to be further noted that the city reached a labor agreement with its DPW and clerical employees in mid 1979. Settlement provided for a wage increase of \$425 in the first year and \$475 in the second. The city also introduced evidence that reflected an increase in real wages for policemen of approximately 7.3% for the calendar years 1967 to 1978. The panel majority has simply chosen to ignore this pattern and practice of negotiated settlements in the city.

Another statutory criteria requires the comparison of wages and fringes of policemen in comparable communities. The city submitted eight such comparable communities, all located within the Albany area, as is Hudson. The communities are comparable with respect to geography, population, and size of department. They are Catskill, Hudson Falls, Johnstown, Little Falls, Mechanicville, Oneida, Rensselaer, and Watervliet. A claim was made by the panel chairman during the hearings that each party selects those communities which are most favorable for its purposes. In fact, the comparables submitted by the city reveal that with respect to wages, the city salary scale is slightly below the average of these eight communities. The claim of the majority that Cortland could have been used by the City as a comparable must be judged in light of the reality that Cortland has a population of 19,600, more than double that of Hudson and has a police force more than 50% larger than Hudson's. Disparities of this nature do not exist in the comparables submitted on behalf of the City.

The "comparables" submitted by the PBA defy one's imagination to classify them as such, ranging among Batavia, population 15,000 in western New York; Troy, population 62,000 with a 125 man force; the Columbia County Sheriff's Department; and the State Police. Consequently the comparables used both by the panel and this writer were those submitted by the City.

With regard to shift differential, the city of Hudson pays its second and third shifts an additional \$300. Five of the eight comparable communities do not have a shift differential. Of the three comparables that do provide a shift differential, Hudson's rate is less than only one.

With regard to longevity, all the comparables provide longevity payments. The city of Hudson provides \$250 at five year intervals for a maximum of

\$1250. Only one other comparable does that. The average maximum payment made for longevity by the eight comparables is \$556. In this regard, the city of Hudson's longevity payment is better than twice the average provided in the eight comparable communities. Consequently, the PBA demand for an increase of longevity was without merit.

There was also a PBA demand for an additional holiday. The city of Hudson provides 11.5 holidays with pay. Of the eight comparables submitted by the city, no employer provides as many. The average number of holidays provided by the eight is 10.4. Again, a demand for an increase is without merit.

With respect to personal leave, the PBA sought an additional day. At present, the city of Hudson provides 5 paid days personal leave per year. Of the eight comparable communities submitted by the city, only one other employer provides as many. The average number of personal leave days provided by the eight are three. Obviously, the city of Hudson far exceeds the average level of this fringe benefit as provided by employers comparable to it and there is no justification for an increase as requested by the PBA.

The PBA had as an additional demand a request to include within the definition of immediate family a member's grandparents and grandchildren for bereavement leave purposes. The effect of this change would be to provide a member with four days bereavement leave in the event of the death of a grandparent or grandchild. At present, the city of Hudson allows one day in the event of such a death. Review of the practice of the eight comparable employers reveals that as many as three days are provided by three employers in the event of the death of a grandparent and one employer provides no such paid leave. With respect to grandchildren, four of the employers provide no paid leave and three

provide one day. There simply is no justification for granting four days with pay in this instance on the basis of the communities surveyed by the city. The single day with pay provided by the city would appear to be adequate and consistent with practices of the comparable communities.

While other fringe benefits were not at issue in this arbitration, the practice of the city of Hudson with respect to these other items is significant and was drawn to the attention of the panel. With respect to vacations, the city of Hudson by contract provides 25 paid working days a year after 10 years of service. Of the other eight comparable communities, one community provides this same benefit. For the remaining seven, this benefit is significantly less. What the city of Hudson in effect is doing is to provide 35 calendar days a year in paid vacation for someone with 10 or more years of service. Only one other community surveyed provides as many days vacation. The city of Rensselaer does so; however, the service eligibility requirement is double, 20 years. The next community providing the greatest number of vacation days is the city of Mechanicville which pays 30 calendar days a year after 25 years of service. Hudson Falls provides 28 calendar days after 13 years of service. The remaining comparable communities provide a fewer number of days per year at the maximum benefit level and the number of years of service to gain such a benefit is substantially higher than that of Hudson. The analysis reveals that the city of Hudson is clearly superior in its scheduling of this benefit for its policemen.

With respect to uniform allowances, the city of Hudson provides annually \$450 to each patrolman. While some communities provide uniforms and replace them as necessary, the majority of the eight comparables do not do so. Instead, the

uniform allowance is provided and in the five communities which do provide such an allowance the average payment is \$212 annually. Once again, the city of Hudson is head and shoulders above the comparables in the provision of a fringe benefit. In this instance, more than double the average of the comparable communities surveyed.

There remains one significant final category of paid leave. The city of Hudson provides members of the PBA with paid union leave, 24 days annually. None of the other eight communities provide as many and in fact 3 of the eight provide no such paid leave. With respect to this benefit, once again, the city of Hudson ranks number one among the comparables.

What is clear in this arbitration is that the city of Hudson and its PBA through voluntary negotiations have devoted much attention to paid fringe benefits. And in fact there has been a trade off between salary and fringes. The PBA now seeks to direct the attention of this arbitration panel to what is alleged to be inadequate wages while, in effect, ignoring the fringe benefit level enjoyed by the PBA members. It is to be noted that even on the basis of the comparables submitted by the city, the city of Hudson is slightly below the average starting salary in the comparables submitted. It is, however, the position of this writer that the compensation levels provided must be examined not only with respect to wages but also with respect to fringe benefits. While it may be informative to describe the city's fringe benefit levels in terms of its rank compared to eight other communities, the degree of the city's superiority is not recognized unless there is an actual computation of the city's position. If the fringe benefit level provided is examined, the following results accrue:

<u>Fringe Benefit</u>	<u>Amount in Excess of Average</u>
- on average the eight comparables provide 10.4 holidays; the city of Hudson provides 11.5	+ 1.1 day/man
- the average provide 3 days personal leave; the city of Hudson provides 5	+ 2.0 days/man
- the average provide 3.4 days bereavement leave; the city of Hudson provides 4 days	+ 0.6 day/man
- the average maximum vacation level is 28 calendar days. The city of Hudson provides 35 such days. (This statistic ignores the fact that the maximum benefit level is reached at a substantially earlier length of service requirement in the city of Hudson than it is in any other community. In the eight comparables, the number of years of service required to obtain the maximum vacation benefit is nearly 70% greater than it is in the city of Hudson, 16.88 years.)	+ 7.0 days/man
total	+ 10.7 days/man/yr.

This figure represents the amount by which Hudson annually exceeds the average in paid days of leave for the fringe benefits cited. Multiplying this figure by the 23 men in the bargaining unit, the city of Hudson provides the bargaining unit members with 246.1 paid days of leave per year over and above the average of the eight communities surveyed. To this figure the following amount should be added. The average paid union leave in the eight comparable communities is 9.1 days annually. The city of Hudson provides 24. The result is an additional 14.9 paid days for the bargaining unit. The total paid days over and above

the average is now 261. Given an average salary in the bargaining unit of \$11,262, and computing a fringe benefit add on which excludes the fringe benefits here enumerated, a figure of \$54.14 per day per man is the cost to the city of Hudson. This figure is based on an average member's daily rate of pay of \$43.31 based on 2080 hours and a fringe benefit add on of 25% for retirement, social security and workmen's compensation. At the rate of \$54.14/day/man, the 261 days in excess of the average provided in comparable communities amounts to a total of \$14,130.54. To this figure should be added the following two amounts: The average length of service of an individual in the Hudson PBA is 10.95 years/man. This figure is computed as of April 1, 1979 and excludes the chief whose excessive years of service would distort the average. Consequently, according to the longevity schedule provided by the city, the average individual in the bargaining unit would receive an additional \$500. In computing the longevity payment made by the eight comparable communities to an individual of similar length of service, the average payment would be \$237.50. As a result, the city of Hudson makes a payment of \$262.05 in excess of the average of the communities surveyed. The amount is a per capita figure and across the bargaining unit amounts to \$5,775 which the city of Hudson pays over and above the average. Finally, the average uniform allowance in the eight comparable communities is \$212; the city of Hudson provides \$450 annually, the difference over and above the average for the city of Hudson is an additional \$238/man amounting to an additional \$5,236 for the bargaining unit. Thus, by these calculations, the city of Hudson provides additional compensation to members of the bargaining unit over and above the average of similarly situated communities of a total \$25,141.54. The result is an additional \$1,142.84/man annually. The result is an obvious conclusion: a patrolman in the city of Hudson is better compensated

than his counterpart in a community similar to Hudson when all aspects of compensation are examined. Thus, the claim of a lag in police salaries by the City is not valid.

The award of the majority does not reflect a comparison with policemen in comparable other communities. Further, in this arbitration between the city and its police, the date of the arbitration has occurred at a time in which collective bargaining agreements in comparable communities have already been reached for the calendar or fiscal year in question. In other words comparing the city of Hudson to other communities in this arbitration has resulted in a comparison of the city of Hudson with respect to its 1978-1979 contract benefit level with communities whose benefit levels have been advanced by an additional year's negotiation. It is on that basis that the fringe benefit comparison above has been made and as a result re-enforces the conclusions reached as to the attention paid to fringes as opposed to wages and as to the level of benefits provided in excess of the average.

With regard to the statutory standard of the award to consider the interests and the welfare of the public and the financial ability of the city to pay, there is no assertion that the city of Hudson and its residents are financially well off. Per capita income levels are significantly below the state average and the tax base in the city is stagnant. A one dollar increase in the tax rate produces approximately \$15,000 in tax revenues. That figure is substantially below the ability of other communities to raise tax revenues from real property. Several factfinding reports and an earlier arbitration documented the fact that the city is not a wealthy one with respect to financial resources.

I fail to find a single justification for an award of the magnitude endorsed

by the majority and consequently dissent from both their conclusions and ultimate decision.

John H. Calligan
John H. Calligan

Employer Panel Member

County of Ulster)

State of New York)

On this 25th day of February 1980, before me personally came and appeared John H. Calligan to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

Charles D. ...
Notary Public
Ulster County
Albany, New York