April 24, 2017

INTEREST ARBITRATION AWARD

City of Hartford
-AND-
Hartford Municipal Employees Association (HMEA)

CASE # 2014-MBA-279
Professional-Supervisory – HMEA

Mark E. Sullivan, PhD., Panel Chair
John M. Romanow, Esq., Management Panel Member
James Ferguson, Esq., Labor Panel Member

Representatives of the Parties
Certified Return Receipt Requested

Kenneth Weinstock, Esquire
Attorney- City of Hartford

Stephen F. McElaney, Esquire
Attorney for Union - Hartford Municipal Employees Association (HMEA)

cc: Kennedy E. Munro, LR Analyst, CCM
Lori Pelletier, Executive Secretary, AFL-CIO
City of Hartford – City Clerk’s Office
STATE OF CONNECTICUT
STATE BOARD OF MEDIATION AND ARBITRATION

In the Matter of

CITY of HARTFORD

CASE NO. 2014-MBA-279

AND

HARTFORD MUNICIPAL EMPLOYEES ASSOCIATION (HMEA)

The undersigned Arbitration Panel, having been duly appointed in accordance with the Rules of Procedure of the Connecticut State Board of Mediation and Arbitration, and pursuant to the provision 7-473c of the General Statutes of the State of Connecticut, does respectfully make this Arbitration Award as required by said Statute.

REPRESENTING THE PARTIES

Appearing for the City: Kenneth Weinstock, Esq.
Appearing for the Union: Stephen F. McEleney, Esq.

MEMBERS OF THE ARBITRATION PANEL

Mark E. Sullivan, Chair
John Romanow, Management Arbitrator
James Ferguson, Labor Arbitrator
Table of Contents

PART I
INTRODUCTION ................................................. Page 1

PART II
FINANCIAL CAPABILITY ........................................ Page 3

PART III
DISCUSSION AND AWARD OF THE INDIVIDUAL ISSUES; ............... Page 6
Introduction

This interest arbitration is between the City of Hartford (City) and The Hartford Municipal Employees Union (Union) over the negotiation of a successor agreement.

The Panel of arbitrators was chosen to hear and decide the dispute between these parties following Section 7-473c of the Connecticut General Statutes.

On September 10, 2015, a proposed collective bargaining agreement (CBA) was submitted by the City to the Union followed on September 18, 2015 with the Union’s response to the City’s document with its proposed agreement.

The interest arbitration Panel, Mark E. Sullivan, Ph.D, chair, John Romanow, Esq, management member and James Ferguson, Esq., labor member, held hearings in Hartford City Hall. Over ten hearing, October 13, 2015, October 29, 2015, December 7, 2015, March 3, 2016, March 23, 2016, April 5, 2016, May 18, 2016, June 13, 2016, September 13, 2016 and September 22, 2016, the parties appeared before the Panel and were given full opportunity to submit evidence, examine and cross examine witnesses and present arguments.

During the arbitration proceedings the parties continued to find agreement and finally submitted to the Panel the list of issues in Dispute and the Agreed Upon Language document simultaneously on October 14, 2016. The Panel issued an Arbitrator's Statement on November 2, 2016. The City and Union emailed/postmarked their last best offers on November 4, 2016, followed by post hearing briefs on December 16, 2016. The parties mutually agreed to extend that submission to December 19, 2016 followed by reply briefs due by January 6, 2017.
Statutory Factors

The Panel's consideration of evidence is governed by C.G.S. Sec. 7-473c (d)(9) that clearly states that;

In arriving at a decision, the arbitration Panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. The Panel shall further consider the following factors in light of such financial capability:

(A) the negotiations between the parties prior to arbitration;

(B) the interest and welfare of the employee group;

(C) changes in the cost-of-living;

(D) existing conditions of employment of the employee group and those of similar groups; and

(E) the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in the private sector wages and benefits.

The Panel must weigh the evidence relative to the statutory factors on each issue and render a decision for the last best offer of one party or the other for each unresolved issue C.G.S. 7-473c(d)(6).
Financial Capability

In combination with the public interest, the priority statutory factor which must be considered by the Panel is the financial capability of the municipality. This examination denotes a wide-ranging overview of the City’s financial capability as it will be related to the decisions on the substantive issues. In addition to its ability to levy and collect taxes the Panel must also examine the present as well as anticipated financial encumbrances, what the City has already done in the arena of expenditure control and how the financial community views the City’s fiscal health.

Prior to 1992 the City’s fiscal was only one of a series of factors considered, while after that year’s Legislative session it became the primary consideration for the Panel mandated by law. In addition to the City’s ability to levy and collect taxes the Panel must also examine the financial encumbrances, what has been done in the arena of expenditure control and how the financial community views the City’s fiscal health.

It is not hyperbole to say that the City of Hartford is faced with an unparalleled financial crisis which is often termed catastrophic. This past fiscal year the City had one of its most challenging budget years ever and continues to face serious deficits next year. Currently its confronting a budget deficit of $48,500,000 with another grave shortfall of somewhere between $32,000,000 to possibly as much as $50,000,000 projected for fiscal year 2017-18. (M. McCaw testimony, Tr. Vol. 10, p. 81)

In addition the City also has;

Adjusted Equalized Net Grand List Per Capita (AENGLC) of 169 out of 169 - the poorest municipality in the state.

Hartford has a median income of $29,313 -lowest in the State.

Hartford has a per capita income of $16,813, lowest in the State.

34% of all citizens are below the federal poverty level

Nearly half of all the City’s children under age 18 are below the poverty level.

Only 23.6% of housing is owner occupied -lowest in the Greater Hartford Metro Region and the lowest among distressed municipalities
The low median income couples with the highest population density in the Greater Hartford Metro Region impacts the cost of services such as sanitation and police.

As of July 1, 2013 the City had an OPEB unfunded actuarially accrued liability of $262,716,000 and an annual required contribution of $19,990,000.

The City's undesignated fund balance of $11,800,000 as of September 2016 is 2.1% of the operating budget.

The City will have a net negative cash flow of over $19,000,000 as of June 2017.

The highest mill rate (74.29) in the state. (City Brief, p. 7)

Strategies introduced to address the worsening fiscal condition of the City include:

- Service Reductions and Department Budget Cuts: $18.6 million
- Assumed Employee Concession: $16.5 million
- Transfer Land to Pension Fund: $5.0 million
- Use of Fund Balance: $8.4 million
  Total: $48.5 million

(Budget, p. 29)

There are many explanations for the current fiscal condition of Hartford, including that less than half of all property is not taxable (Tr. Vol. 10, p. 43), or that “...total tax collected as a percentage of total outstanding taxes owed was 84.8%, far below the state of Connecticut median percentage of 97.3 % and equally far below the state average percentage of 96.1%.” (City Brief, p. 10), however they are not the focus of this Panel as we are prospective and have as a primary emphasis and the legal responsibility to make decisions which
follow the statutory requirements set forth by the state legislature.

In reaching its conclusions the Panel considered the overall best interest of the City and the public interest in numerous, often competing arenas, including the ability to levy and collect taxes, its economic standing within the state, as a major employer and as the second largest city of the state. After carefully examining the financial status of the City, the Panel finds this to be a municipality on precarious financial footing with multiple challenges including an ever increasing level of debt, growing OPEB, at best an uncertain future of development, already the highest property tax rate in the state and the ongoing demands of any Capitol city. The challenges facing the City along with the financial trials of the State of Connecticut especially as it relates to the City’s present and future projected revenue is taken into account on each of the economic issues this Panel must decide.
ISSUE 1
ARTICLE I-RIGHTS AND RECOGNITION
Section 1.5
Management
Rights Take
home vehicles

LAST BEST OFFER OF THE CITY OF HARTFORD:

Determine who has access to a take home vehicle and the policies and procedures related to those take home vehicle privileges;

LAST BEST OFFER OF HMEA:

No New Language

From the documentation in evidence it is apparent that the current policy is one that the parties have very different views of, especially in its implementation as well as the effect on employees, their ability to do their jobs and the potential savings for the City. The Union made their argument based primarily on the question of public safety as the added time for the Inspector’s to arrive at a fire would require having both Police and Fire Department personnel stay longer on the scene than necessary. As the moving party the City had the responsibility of making a clear and concise argument based upon fact that this change would assist in the more efficient, better management of the various departments where the policy is still in effect. They did not.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration for the Public Interest and Financial Capability of the City.

Based on the forgoing, a majority of the Panel majority awards Issue 1 to the Union. Mr. Romanow dissents.
ISSUE 2A

ARTICLE III-PERSONNEL, PAY
AND BENEFITS
Section 3.2
Classification and pay
rates Wages 2013-2014

LAST BEST OFFER OF THE CITY OF HARTFORD:

General Wage Increases:

Effective and retroactive to July 1, 2013 through June 30, 2014, the salary rates in effect on June 30, 2013 shall remain unchanged.

LAST BEST OFFER OF HMEA:

Effective and retroactive to July 1, 2013, the Salaries in effect on June 30, 2013 shall be increased by one and one-quarter percent (1.25%)

See discussion under 2F
ISSUE 2B

ARTICLE III - PERSONNEL, PAY
AND BENEFITS
Section 3.2
Classification and pay
rates Wages 2014-2015

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective and retroactive to July 1, 2014, the salary rates in effect on June 30, 2014 shall be unchanged through July 4, 2015.

LAST BEST OFFER OF HMEA:

Effective and retroactive to July 1, 2014, the Salaries in effect on June 30, 2014 shall be increased by one and one-quarter percent (1.25%)

See discussion under 2F
ISSUE 2C

ARTICLE III - PERSONNEL, PAY
AND BENEFITS
Section 3.2
Classification and pay
rates Wages effective
July 5, 2015

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective and retroactive to July 5, 2015, the salary rates in effect on July 4, 2015 will be increased by one and one-quarter percent (1.14%)

LAST BEST OFFER OF HMEA:

Effective and retroactive to July 5, 2015, the Salaries in effect on July 4, 2015 shall be increased by one and one-quarter percent (1.25%)

See discussion under 2F
ISSUE 2D

ARTICLE III - PERSONNEL, PAY
AND BENEFITS

Section 3.2
Classification and pay
rates Wages effective
January 3, 2016

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective and retroactive to January 3, 2016, the salary rates in effect on January 2, 2016 will be increased by one and one-quarter percent (1 1/4, %)

LAST BEST OFFER OF HMEA:

Effective and retroactive to January 3, 2016, the Salaries in effect on January 2, 2016 shall be increased by one and one-quarter percent (1.25%)

See discussion under 2F
ISSUE 2E

ARTICLE III-PERSONNEL, PAY
AND BENEFITS

Section 3.2
Classification and pay
rates Wages effective
July 3, 2016

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective and retroactive to July 3, 2016, the salary rates in effect on July 2, 2016 will be increased by one and one-quarter percent (1 1/4%) 

LAST BEST OFFER OF HMEA:

Effective and retroactive to July 3, 2016, the Salaries in effect on July 2, 2016 shall be increased by one and one-quarter percent (1.25%)

See discussion under 2F
ISSUE 2F

ARTICLE III-PERSONNEL, PAY
AND BENEFITS

Section 3.2
Classification and pay
rates Wages effective
January 1, 2017

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective and retroactive to January 1, 2017, the salary rates in effect on December 31, 2016 will be increased by one and one-quarter percent (1 1/4%) 

LAST BEST OFFER OF HMEA:

Effective and retroactive to January 1, 2017, the Salaries in effect on December 31, 2016 shall be increased by one and one-quarter percent (1.25%)

The financial issues surrounding proposed increases in pay as well as other major economic issues have a direct impact on the central issues involving wages, insurance and pensions. While the governing statute requires that the Panel decide each issue separately, on its own merits, we are mindful of the need to balance the economic issues in order to best apply the statutory requirement for the decision.

The City is challenged by having to “...provide for the welfare of its citizens...” (City Brief, p. 3) while at the same time agreeing that “...the City must provide reasonable wages and benefits...” (City Brief, P. 3) The challenges are sharpened further remembering that Hartford’s per capita income is the lowest in the state at $16,813 accompanied by the lowest median income in the state at $29,313 accompanied by the lowest AENGLC score of all of Connecticut’s municipalities while OPEB costs continue to escalate.

The City’s argument is that the Union’s wage LBO’s, taken in their totality, are “a business as usual approach that would result in additional financial burden to the City...” (City Brief, p.4) and emphasizes that it “...would be adverse to the public interest, and could result in further position and program elimination.” Their argument is further developed by the comparison of Hartford Municipal Employees Association (HEMA) wages “...within the AENGLC comparison group (AENGLC rankings between 154-169 with populations over 16,000), compare the maximum salaries in fiscal year 2013-14 of HMEA members compared to their peers:
- Senior Administrative Assistant - 2nd highest paid out of 12.
- Senior Accountant - 4th highest paid out of 12.
- Inspector II - 3rd highest paid out of 11.
- Payroll Supervisor - 3rd highest paid out of 12.
- Engineering Inspection Supervisor - 4th highest paid out of 12.
- Public Works Assistant Superintendent - 4th Highest paid out of 12.
- Architect III - 4th highest paid out of 11.

(Ability to Pay, Issue Comparisons, at p. 278-291) By fiscal year 2015-16, this trend continued and maximum salaries remained relatively stable when compared to the wages paid to peers:
- Senior Administrative Assistant - 2nd highest paid out of 12.
- Senior Accountant - 5th highest paid out of 12.
- Inspector II - 4th highest paid out of 11.
- Payroll Supervisor - 6th highest paid out of 12.
- Engineering Inspection Supervisor - 5th highest paid out of 12.
- Public Works Assistant Superintendent - 7th Highest paid out of 12.
- Architect III - 6th highest paid out of 11. (City Brief, P.10)

The City has demonstrated that the bargaining unit's wages are generally quite competitive. The Senior Administrative Assistants continues to be the 2nd highest paid out of 12 within AENGLC rankings of 154-169 that have populations above 16,000. Using the same data, Inspector II's are 4th out 12.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority Factors, particularly Factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor C, changes in the cost of living, Factor D, the existing conditions of employment of the employee group and those of similar groups and Factor E, Labor Market salaries and benefits, including in the private sector.

Based on the forgoing, a majority of the Panel awards Issue 2A, 2C, 2D, 2E, 2F to the City with Mr. Ferguson dissenting and 2B to the Union with Mr. Romanow dissenting.
ISSUE 3B

ARTICLE III-PERSONNEL, PAY AND BENEFITS
Section 3.2 Classification and pay rates Step Increases – June 30, 2017

LAST BEST OFFER OF THE CITY OF HARTFORD:

If a successor agreement has not been negotiated and ratified by June 30, 2017, regular growth (step) eligibility will be frozen for all bargaining unit members at the step they are at as of June 30, 2017 and until such time as a successor agreement is reached, or an interest arbitration award is issued, addressing growth (step) increments.

LAST BEST OFFER OF HMEA:

If a successor agreement has not been negotiated and ratified by June 30, 2017, regular growth (step) eligibility will continue for all bargaining unit members until such time as a successor agreement is reached or an interest arbitration award is issued addressing growth (step) increments.

The Panel discussed this issue at length and saw that the Union proposed to maintain the status quo. The decision of the Panel allows for further negotiations and does not require the waiving of a timeline.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing, a majority of the Panel awards Issue 3B the Union with Mr. Romanow dissenting.
LAST BEST OFFER OF THE CITY OF HARTFORD:

No language.

LAST BEST OFFER OF HMEA:

Increments for exceptional service shall be paid on recommendation of the department head supported by a convincing showing in writing of exceptional service as related to specific criteria to be recommended by each department applicable to its own work and approved by the Human Resources Director. Exceptional service increments shall be approved or denied by the Human Resources Director based on the criteria recommended by each department without interference by the Mayor, City Council or other departments of the City. The increments shall be granted by awarding an amount of five or ten percent of the employee's base rate which may be authorized for periods of three, six, nine or twelve months and will automatically terminate on the expiration of the authorized time unless renewed by the same procedure as is required for original approval.

Recognizing exceptional service is something that most in the labor relations profession would not object to and may enthusiastically endorse. In fact within the City’s existing personnel rules and regulations a provision already exists recognizing such service and was used most recently by then Mayor Segar. (City Brief, p. 36)

The issue here is the Union’s proposal to modify and then memorialize the language within the confines for the contract. The change proposed by the Union’s LBO was the specific prohibition to make it impossible for the “...Mayor, City Council or other department of the City.” to interfere with the process. As the moving party for new language it is the Union’s responsibility to present a cogent argument supporting the introduction of this totally new language to the contract. An additional challenge inherent to this proposal is its cost, especially in light of the fiscal condition of the City as outlined in the Ability to Pay section of this document. The Union’s argument did not meet either of these requirements.
The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor D, the existing conditions of employment of the employee group and those of similar groups and Factor E, Labor Market salaries and benefits, including in the private sector.

Based on the forgoing, the Panel awards Issue 4 to the City with Mr. Ferguson dissenting.
ISSUE 8

ARTICLE III - PERSONNEL, PAY AND BENEFITS

Section 3.4 Insurance (87, 88)

Dental Plan Cost/Employee Premium Contribution

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective July 1, 2013 through the issuance of the interest arbitration award in Case No. 2014-MBA-279, the cost of the dental plan benefits shall be as follows:

Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, bargaining unit members will no longer pay for the benefits described in paragraphs a through -e. above in the manner described, but instead shall contribute the same percentage toward the total cost of the dental plan benefits described above as they contribute for medical insurance as set forth in Section 3.4, Employee Contributions.

LAST BEST OFFER OF HMEA:

Effective July 1, 2008, the City's Full Dental Plan consists of the following dental benefits, as detailed Appendix C, Dental Benefits at a Glance:

No New Language

As the City proposed new language for this article of the contract, it was their responsibility to offer a substantive argument for the change in language. In changing how the dental benefit will be paid, the City proposes more of that support coming from the employees. Currently HEMA members pay 16% of the cost of the basic program and the City pays the full cost for the additional benefits of orthodontics for the employee and dependents up to age 19, while the employee pays for the full cost of periodontics and prosthodontics. (City Brief, p. 39).

The City is proposing that the employees pay a larger portion of the premium which would cover all the dental benefits, including those the employee previously paid for entirely. The City's proposal continues that the percentage rate would match what they are paying for medical coverage.
The City’s position continues by presenting how other municipalities in the comparative AENGLC handle dental insurance where 10 of 22 groups require at least a 17% employee contribution; 9 of the employee groups contribution increases each year; 3 groups require a 50% contribution for family coverage; one group requires 15% contribution for the employee and 100% for two or family coverage. (Ability to Pay Binder 2, p. 334-336)

One very important segment of the City’s argument returns to the overall financial condition of the municipality where it is facing both serious shortfalls this year followed by projected additional shortfalls in the coming years. Throughout the negotiations the City’s LBO’s have consistently sought language, sometimes dramatic, often not, that would, in the aggregate, help reduce operational costs.

Although there will be an agreed upon rate of 17% for premium cost share, it will yield a savings to the City of a modest $710 (City Brief, p. 41) while at the same time more than half of the bargaining unit will experience a decrease in their cost.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing a majority of the Panel awards Issue 8 to the City with Mr. Ferguson dissenting.
ISSUE 10

ARTICLE III - PERSONNEL, PAY AND BENEFITS
Section 3.4 Insurance Healthy Hartford Program

LAST BEST OFFER OF THE CITY OF HARTFORD

Healthy Hartford Program.

Upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, the City shall implement the Healthy Hartford Program which is described in greater detail in Schedule 1 and 2 of Appendix B-1 and is meant to assist with early medical detection and provide education about chronic condition care. Bargaining unit members and eligible dependents shall have until one (1) year following the date of the issuance of the interest arbitration award in Case No. 2014-MBA-279 to become compliant with all age appropriate health and dental assessments and screenings described in Appendix B-1. Effective one (1) year after the issuance of the interest arbitration award in Case No. 2014-MBA-279, the health insurance plan cost sharing will include a one hundred dollar ($100.00) per month supplemental charge if the employee or any covered dependent fails to be compliant.

LAST BEST OFFER OF HMEA:

No New Language.

Wellness programs have received much attention over the last several years as a strategy for both improving the health of employees along with reducing the cost of health insurance but it was still incumbent of the City to present a rational, well thought out program and how it would be applied in the case of HEMA. Although the program was based upon what the State of Connecticut currently has with its employee groups, there were many unanswered questions both in how it would be implemented and who would administer at what cost to name just two. Although this may be an excellent additional strategy to attack the cost of health insurance, the City did not present the cogent argument need to introduce this new language.
The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing a majority of the Panel awards Issue 10 to the Union with Mr. Romanow dissenting.
ISSUE 11
ARTICLE III - PERSONNEL, PAY AND BENEFITS
Section 3.4 Insurance Alternate Insurance Payment

4. **Alternate Insurance Payment Provision.** A bargaining unit member who is covered under alternate medical insurance through another employer (e.g. spouse) may waive his or her basic medical insurance benefits provided by the City for a minimum period of one (1) year. Bargaining unit members who opt not to accept medical insurance under one of the City's medical insurance plans shall be compensated on a fiscal year basis as outlined in the Alternate Insurance Payment Schedule below. Such payment (subject to regular payroll deductions) shall be paid at the end of the fiscal year during which the bargaining unit member was not covered by the City's medical insurance. Except as indicated below, any bargaining unit member choosing this option shall only be able to opt in or out during the City's open enrollment period.

**Alternate Insurance Payment Schedule**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$250</td>
</tr>
<tr>
<td>2-Person</td>
<td>$500</td>
</tr>
<tr>
<td>Family</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

LAST BEST OFFER OF HMEA:

4. **Alternate Insurance Payment Provision.** A bargaining unit member who is covered under alternate medical insurance through another employer (e.g. spouse) may waive his or her basic medical insurance benefits provided by the City for a minimum period of one (1) year. Commencing with the July 1, 2017 to June 20, 2018 fiscal year bargaining unit members with 2-Person or Family coverage who opt not to accept medical insurance under one of the City's medical insurance plans shall be compensated on a fiscal year basis as outlined in the Alternate Insurance Payment Schedule below. Such payment (subject to regular payroll deductions) shall be paid at the end of the fiscal year during which the bargaining unit member was not covered by the City's medical insurance. Except as indicated below, any bargaining unit member choosing this option shall only be able to opt in or out during the City's open enrollment period.
Alternate Insurance Payment Schedule:

<table>
<thead>
<tr>
<th></th>
<th>No Payment</th>
<th>$2,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
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<td></td>
</tr>
<tr>
<td>2-Persom</td>
<td></td>
<td>$2,500</td>
</tr>
<tr>
<td>Family</td>
<td></td>
<td>$2,500</td>
</tr>
</tbody>
</table>

The Union’s LBO is one that is not new to the City as three other bargaining units already have this option and level of payment. (Union Ex. 41). In addition the Union’s expert witness could not have been clearer that the LBO of the Union would not cost the City, in spite of it being self-insured, anything additional. In fact there was a distinct possibility that the City could be the ultimate beneficiary of this language in that the cost to cover a family was identified as $30,900 (Union Ex 50) while opting out incurs a one-time $2,500 charge.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the foregoing the Panel awards Issue 11 to the Union with Mr. Romanow dissenting.
ISSUE 12A
ARTICLE III - PERSONNEL, PAY AND BENEFITS
Section 3.4 Insurance
Employee Premium Contribution upon the issuance of the Interest Arbitration Award

LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, each full-time bargaining unit member shall contribute, via payroll deduction, seventeen percent (17%) of the allocation rate as determined by the City's insurance carrier towards the cost of medical insurance coverage provided for single, 2-person or family coverage.

LAST BEST OFFER OF HMEA:

Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279 each full-time bargaining unit member shall contribute, via payroll deduction, seventeen percent (17%) of the allocation rate as determined by the City's insurance carrier towards the cost of medical insurance coverage provided for single, 2-person or family coverage.

The Parties have submitted identical last best offers.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing the Panel awards Issue 12A to the Union.
LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective June 30, 2017, each full-time bargaining unit member shall contribute, via payroll deduction, one percent (1%) above the amount of employee contribution of the allocation rate in effect on June 29, 2017 as determined by the City’s insurance carrier towards the cost of medical insurance coverage provided for single, 2-person or family coverage.

LAST BEST OFFER OF HMEA:

No New Language.

As a cost item, this is also an important LBO on the part of the City and one that upon close examination reveals that in the last 11 years the employee contribution has increased a total 3%. Although from the employee’s standpoint any increase is challenging, the increased amount families will face because of the City’s LBO would be a total of $316, while a two person household would experience an increase of $245 (City Brief, p. 56). When examined through the context of what other, comparable AENGLC municipalities are already doing we find that half the group of 22 have a 17% employee contribution, 9 of which have or will have an 18% on 7/1/17 and some of those 9 already have employee groups at or above 20% (City Brief, p. 56). The Panel recognizes the need of the Town to achieve further financial assistance from the employees by addressing the cost of insurance, but also recognizes that there has been a 1.25% increase from this arbitration in remuneration for the employees.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing a majority of the Panel awards Issue 12C to the City with Mr. Ferguson dissenting.
ISSUE 13

ARTICLE III - PERSONNEL, PAY AND BENEFITS
Section 3.4 Insurance
Employee Premium Contribution Capped Annual Increase of 125% 

LAST BEST OFFER OF THE CITY OF HARTFORD:

No language.

LAST BEST OFFER OF HMEA:

Effective July 1, 2005 and thereafter, bargaining unit member contributions for medical insurance for each fiscal year following said effective date shall not exceed one hundred twenty-five percent (125%) of the previous year's contributions.

The City agrees that the LBO of the Union is really one that doesn't introduce anything new but rather seeks to maintain the status quo by retaining the cap and the offered no argument against it. Although the City's financial challenges are serious and ongoing it is imperative that the employees also have a sense of security when it comes to the ongoing increases in medical insurance, ergo the LBO of the Union.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the Town and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing a majority of the Panel awards Issue 13 to the Union with Mr. Romanow dissenting.
LAST BEST OFFER OF THE CITY OF HARTFORD:

Effective for any retirements that occur on or after the date of the issuance of the interest arbitration award in Case No. 2014-MBA-279, said retiree health and dental coverage shall be the same health and dental coverage that is offered to active employees as that coverage may change from time to time through negotiations.

LAST BEST OFFER OF HMEA:

Effective for any retirements that occur on or after the date of the issuance of the interest arbitration award in Case No. 2014-MBA-279, said retiree health and dental coverage shall be the same health and dental coverage that is offered to active HMEA employees as said coverage may change from time to time through negotiations provided the City may not discontinue the retiree dental and medical coverage provided under the last available PPO plan made available to active HMEA employees in the event all PPO plans are discontinued for active HMEA employees.

See discussion under Issue 20, Article V.
LAST BEST OFFER OF THE CITY OF HARTFORD:

All bargaining unit members who were active employees on January 1, 2004, and whose initial date of hire with the City is before July 1, 2003 ("Pre-2003 HMEA bargaining unit members"), shall contribute seven and eight-tenths percent (7.8%) of their weekly salary to the pension fund. Effective the pay period immediately following the date of the issuance of the interest arbitration award in Case No. 2014-MBA-279, all Pre-2003 HMEA bargaining unit members' weekly salary contributions to the pension fund referenced above shall be eight and eight tenths percent (8.8%) Pre-2003 HMEA bargaining unit members, upon retirement, shall have his or her pension benefit calculated at the rate of two and three-quarters percent (2.75%) per each whole year of service. Bargaining unit members who were on the City payroll only as a result of receiving his or her vacation and/or sick leave cash outs, and were not physically performing work for the City as of January 1, 2004, are excluded from this provision. Any service credit obtained through the sick exchange program will be calculated at the rate of two and one-half percent (2.5%) per year. Employees rehired by the city, and whose period of absence is subsequently bridged by the City Council for pension purposes, shall be deemed to be employed by the City for purposes of this paragraph if the aggregate months of City service bring the employee's seniority date to June 30, 2003 or earlier. See paragraph 1. of Appendix F for an illustration of this paragraph's provisions.

LAST BEST OFFER OF HMEA:

All bargaining unit members who were active employees on January 1, 2004, and whose initial date of hire with the City is before July 1, 2003, ("Pre-2003 HMEA bargaining unit members") shall contribute seven and eight-tenths percent (7.8%) of their weekly salary to the pension fund. Pre-2003 HMEA bargaining unit members, upon retirement, shall have his or
her pension benefit calculated at the rate of two and three-quarters percent
(2.75%) per each whole year of service. Bargaining unit members who were
on the City payroll only as a result of receiving his or her vacation and/or
sick leave cash outs, and were not physically performing work for the City
as of January 1, 2004, are excluded from this provision. Any service credit
obtained through the sick exchange program will be calculated at the rate of
two and one-half percent (2.5%) per year.
Employees rehired by the City, and whose period of absence is subsequently
bridged by the City Council for pension purposes, shall be deemed to be
employed by the City for purposes of this paragraph if the aggregate months
of the City service bring the employee's seniority date to June 30, 2003 or
earlier. See paragraph I. of Appendix F for an illustration of this paragraph's
provisions.

See discussion under Issue 20, Article V.
ISSUE 17

ARTICLE III - PERSONNEL, PAY AND BENEFITS
Section 3.5 Pension Benefits
Employee Pension Contribution Percentage - Post-2003

LAST BEST OFFER OF THE CITY OF HARTFORD:

Bargaining unit members hired on or after July 1, 2003 ("Post-2003 HMEA bargaining unit members"), shall have a pension benefit in accordance with the provisions of subsection f. above, except that the minimum requirements for a normal, unreduced retirement benefit shall be age fifty-five (55) and twenty-five (25) years of City service, and as more fully set forth in paragraph IL of Appendix F. Post-2003 HMEA bargaining unit members shall contribute to the pension fund five percent (5%) on the social security covered portion of their earnings and eight percent (8%) on the excess earnings. Effective the pay period after the date of the issuance of the interest arbitration award in Case No. 2014-MBA-279, Post-2003 HMEA bargaining unit members shall contribute to the pension fund six percent (6%) on the social security covered portion of their biweekly salary and nine percent (9%) on the excess earnings.

e. An employee contribution rate to the pension fund of five percent (5%) on the social security covered portion of earnings and eight percent (8%) on the excess earnings prior to the issuance of the interest arbitration award in Case No. 2014-MBA-279. Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, an employee contribution rate to the pension fund of six percent (6%) on the social security covered portion of earnings and nine percent (9%) on the excess earnings.

LAST BEST OFFER OF HMEA:

Bargaining unit members hired on or after July 1, 2003 shall have a pension benefit in accordance with the provisions of subsection f. above, except that the minimum requirements for a normal, unreduced retirement benefit shall be age fifty-five (55) and twenty-five (25) years of City service, and as more fully set forth in paragraph IL of Appendix F, including employees with a hire date on or after July 1, 2003.

e. An employee contribution rate to the pension fund of five percent (5%) on
the social security covered portion of earnings and eight percent (8%) on the excess earnings.

The Union’s LBO proposes to maintain the status quo of a 7.8% employee contribution for pension funding, while the City seeks a 1% increase. Employees hired before 2003 have a 2.75% multiplier with a maximum benefit not to exceed 75% of the final average pay. “With an average salary of $70,000, an employee’s maximum pension benefit is $52,500 a year. Post-2003 employees have the same maximum benefit equal to 75% of final average pay with a 2.0% multiplier, with normal retirement at age 55 and 25 years of service or age 60 with 5 years of service.” (City Brief, p. 64) The financial capability of the City is a major consideration, especially when the pension fund covering HMEA members is only funded at 71.8%. To improve the funding the City has more than tripled its contribution to the pension program from $10,727,000 in 2010 to $34,207,000 in 2013.

The 1% contribution increase by employees proposed in the City’s LBO will save the City $147,000 per year, or $765.63 per employee, only a portion of what they have received in the salary increase in Issue 2B, but more importantly bring them closer to what others are already paying. Examining the AENGLC comparability group reveals that 10 of the 22 employee groups already pay more than the current 7.8% HMEA members pay toward their pension and “4 of those 10 employee groups contribute between 9% and 11%...” (City Brief, p.68)

The City’s LBO for Issue proposes that the 1% increase apply to all post 2003 hires including those who contribute now 5% on Social Security earnings and 8% on excess earnings. Both rates would both increase by 1% under this LBO.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing a majority of the Panel awards Issue 15 and 17 to the City with Mr. Ferguson dissenting.
LAST BEST OFFER OF THE CITY OF HARTFORD:

For all bargaining unit members whose initial date of hire with the City is on or after the issuance of the interest arbitration award in Case No. 2014-MBA-279 ("Post-2016 HMEA bargaining unit members"), their pension benefits shall be as follows:

a. Normal Retirement. Post-2016 HMEA bargaining unit members shall be eligible for a normal retirement allowance upon attaining age fifty-five (55) and completing twenty-five (25) years of continuous full-time City service or upon attaining age sixty-two (62) and completing at least five (5) years of continuous service. The normal retirement allowance shall be based on one and three-quarters percent (1.75%) of final average pay for each whole year of service. A Post-2016 HMEA bargaining unit member that (i) has completed at least twenty-five (25) years of continuous full-time City service, (ii) has separated from City service; and (iii) has elected to leave his or her contributions in the fund shall be eligible for a normal retirement allowance upon attaining age fifty-five (55)

b. Early Retirement. Post-2016 HMEA bargaining unit members shall be eligible for an early retirement allowance upon attaining age fifty-five (55) and completing at least five (5) years of full-time continuous service. The early retirement allowance shall be calculated in the same manner as the bargaining unit member’s normal retirement allowance and then reduced by four percent (4%) for each year the bargaining unit member retires short of age sixty-two (62), with prorations for fractions of a year. Said reduction shall apply for the duration of the pension benefit.

c. Maximum Pension Allowance. Post-2016 HMEA bargaining unit members shall be eligible for a maximum pension allowance of seventy percent (70%) of final average pay.

d. Post-2016 HMEA Bargaining Unit Members’ Contributions. Post-2016 HMEA bargaining unit members shall contribute to the pension fund seven and one-half percent (7.5%) on the social security covered
portion of earnings and ten and one-half percent (10.5%) on the excess earnings.

e. **Vesting.** Post-2016 HMEA bargaining unit members shall vest upon completion of five (5) years of continuous City service.

f. **Military Service.** Post-2016 HMEA bargaining unit members shall be allowed to purchase up to a maximum of four (4) years of military service time as defined in Connecticut General Statute Section 27-103 at the rate payable at the time of entry into City service with interest at the rate of seven percent (7%) per annum, payable within one (1) year of date of hire.

g. **Sick Leave Exchange Credit.** Post-2016 HMEA bargaining unit members are not eligible for sick leave exchange credit.

**LAST BEST OFFER OF HMEA:**

- No New Language
- No New Language
- No New Language
- No New Language
- No New Language

In the Ability to Pay portion of this decision the Panel was quite clear in how it understands the City’s financial position, precarious. The Panel also recognizes the efforts of the City to address the challenging financial times through many of the changes they are proposing to help secure the City’s future. Some of those efforts are seen in the construction of the LBO’s seeking to improve management of the City such as is found in the City’s LBO on Issue 14 where they proposed to standardize the health insurance available to retirees and “...avoid the administrative burdens and inefficiencies that come with administering multiple insurance plans for an ever decreasing number of employees...” (City LBO, p. 60). The Union proposed the maintenance of the status quo, something that the challenging fiscal times make impossible. Specifically the LBO of Issue 18 speaks directly to the future steps necessary to begin moving the City to a more secure financial position. Modifying the underlying structure of the pension program for future employees, one of the largest cost centers in the City, is a substantial step for the City’s financial future.
The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City, and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing a majority of the Panel awards Issue 18 to the City with Mr. Ferguson dissenting.
ISSUE 20

ARTICLE III - PERSONNEL, PAY AND BENEFITS
Section 3.5 Pension Benefits

ARTICLE V, HOLIDAYS AND LEAVE
Section 5.2 Vacation

LAST BEST OFFER OF THE CITY OF HARTFORD:

Bargaining unit members who retire on or after the issuance of the interest arbitration award in Case No. 2014-MBA-279 will receive any accrued vacation leave and any sick leave remaining after mandatory sick exchange in accordance with Sec. 2A-8(a)(3) of the Code, to which the bargaining unit member may be entitled, as a lump sum payment. Any vacation time lump sum payment shall not be used to increase the bargaining unit member’s years of creditable service and any vacation and/or sick time lump sum payment shall not be included or utilized in any manner in determining or calculating the bargaining unit member’s final average pay period, final average pay, and retirement allowance. The effective date of retirement shall be the day immediately following the bargaining unit member’s last day of work. This Paragraph shall not apply to any bargaining unit member who is currently on vacation run-out when the award is issued in Case No. 2014-MBA-279.

Bargaining unit members who are separated from the City and who have accrued vacation leave to their credit at the time of separation shall be paid the salary equivalent of the accrued vacation leave. Vacation leave accrued during the fiscal year in which the bargaining unit member is separated will only be paid if the bargaining unit member is in good standing at the time of separation. Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, any vacation leave lump sum payment shall not be used to increase the bargaining unit member’s years of creditable service and any vacation lump sum payment shall not be included or utilized in any manner in determining or calculating the bargaining unit member’s final average pay period, final average pay, and retirement allowance. The effective date of separation shall be the day immediately following the bargaining unit member’s last day of work.

LAST BEST OFFER OF HMEA:

No New Language.
The financial considerations in Issues 14, 15, 17, 18, 20 (Article III) and 20 (Article V) are focused on insurance and pensions which, combined with the other key economic concerns, are the dominant issues in this case. While the Panel is mindful of the need to balance the economic issues, we also understand the governing statute requires that the Panel decide each individual issue separately and on its own merits.

It is not hyperbole to say that the City of Hartford faces an unparalleled financial crisis which is often termed catastrophic. This past fiscal year the City had one of its most challenging budget years ever and continues to face serious deficits next year and for the foreseeable future. Currently it is confronting a significant budget deficit of $48,500,000 with another grave shortfall of somewhere between $32,000,000 to possibly as much as $50,000,000 projected for fiscal year 2017-18. With that as the backdrop, the financial history and capability of the City becomes paramount and necessitates that the steps taken to diminish the administrative and financial challenges be such that each assists the City achieve its fiscal goals and not be unreasonable for HMEA’s members.

With the City facing unprecedented financial challenges it must identify strategies and policies that will address this matter both fiscally and administratively. For example, Issue 14 is at its’ heart an administrative question where the Union’s LBO states that “...the City may not discontinue the retiree dental and medical coverage provided under the last available PPO plan made available ...in the event all PPO plans are discontinued for HMEA employees.” While the substance of the LBO truly goes to the Union’s interest in guaranteeing health insurance continuity for retirees, which is laudable, it also raises the possibility of increased administrative costs for the City if the health insurance of fulltime HMEA members were to change, something that would occur only through negotiations. Because of the unprecedented financial challenges, the City is already seeking every administrative remedy, no matter how small, supporting reduced costs. Since this benefit only covers those hired before June 9, 2008, broadening this benefit could require the City to administer “...multiple insurance plans for an ever decreasing number of employees...” (City LBO, p 61)

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor C, changes in the cost of living, Factor D, the existing conditions of employment of the employee group and those of similar
groups and Factor E, Labor Market salaries and benefits, including in the private sector.

Based on the forgoing, a majority the Panel awards Issues 14, 15, 20 (Article III) and 20 (Article V) to the City with Mr. Ferguson dissenting.
ARTICLE IV - HOURS OF WORK, OVERTIME AND FLEXIBLE SCHEDULE
Section 4.2 Flexible Schedule Use of flex time hours

LAST BEST OFFER OF THE CITY OF HARTFORD:

a. The accrual of such hours was within the current work week or Wednesday through Saturday of the previous work week; and

LAST BEST OFFER OF HMEA:

a. The accrual of such hours was within thirty (30) calendar days prior to the use of such hours per subsection b. below. No more than fifty (50) hours may be accumulated within any thirty (30) day period herein referenced.

The City seeks to maintain the current language unchanged which allows an employee who works extra hours this week to use those extra hours as time off by Wednesday of the following week. The Union’s proposal focuses on when the extra time can be taken and proposes to extend that to a total of 30 days. The Panel found the testimony of the Union’s witnesses compelling, especially when it focused upon the “...insufficient time within which the employee can use the extra work hours with (the) supervisor’s permission” (Union Brief, p. 52). The Panel also found the testimony of the Union’s witness’s compelling both in their dedication to getting the work completed with many consistently working well beyond 40 hours and doing this without complaint. The Union’s witness’s also clearly relayed how, under the current structure, it was impossible to employ the contractual language within the one week timeframe.

The City asked that the Panel consider the extra recordkeeping that would be necessary to track the Union’s LBO, but failed to show how this would be onerous or an added expense.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor D, the existing conditions of employment of the employee group and those of similar groups and Factor E, Labor Market salaries and benefits, including in the private sector.

Based on the foregoing, a majority of the Panel awards Issue 21 to the Union with Mr. Romanow dissenting.
ISSUE 22

ARTICLE IV- HOURS OF WORK, OVERTIME AND FLEXIBLE SCHEDULE
Section 4.2 Flexible Schedule
Working from home with department head approval

LAST BEST OFFER OF THE CITY OF HARTFORD:

No language.

LAST BEST OFFER OF HMEA:

Bargaining unit members may be permitted to work from home with prior department head approval. The grant or denial of such permission shall not be subject to the grievance procedure.

The City seeks to maintain the status quo while the Union proposes new language allowing members to work at home once they had received the approval of their department head. As the Union is proposing new language it has the responsibility to offer a strong, persuasive argument for the change.

The City is concerned that the language is fraught with potential problems from favoritism creeping in to the approval process, moral problems, potential grievances from those denied the opportunity to work from home, the lack of security of sensitive information and a negative reaction from the public to name but a few.

The focal point of the Union's argument was that this has been sporadically allowed in the past and "...it is in the interest of the City in that an employee can be more productive at home under certain circumstances." (Union Brief, p. 59).

Several issues concern the Panel:
1. The proposed language would not be universally accessible to all HMEA members and could quickly become a point of contention between HMEA members.

2. The proposed language could also create problems between HMEA members and their immediate supervisors as to who did/did not receive approval to work from home.

3. The proposed language could also cause problems between HMEA members and the people they supervise. How can a HMEA member who has managerial responsibilities exercise them from home?

4. How would the HMEA member be supervised when working from home?

The Union's position centered only on the possibility of an increase in productivity and everyone acting professionally.

The Panel sees the Union's LBO as pushing the limits of both control and personal responsibility. Not for a moment is the Panel suggesting that HMEA members are not responsible, productive and valued employees of the City of Hartford. Quite, to the contrary we know they are a highly professional group, working under challenging circumstances and are fulfilling their professional responsibilities with distinction.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor C, changes in the cost of living and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing, a majority of the Panel awards Issue 22 to the City with Mr. Ferguson dissenting.
ISSUE 24

ARTICLE IV - HOURS OF WORK, OVERTIME AND FLEXIBLE SCHEDULE
Section 4.3 Overtime Pay Call back pay for Inspector II's

LAST BEST OFFER OF THE CITY OF HARTFORD:

No language.

LAST BEST OFFER OF HMEA:

a. Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, bargaining unit members employed in the classification of Inspection II who are called back to work outside of their regular work hours ("call-out") shall receive three (3) hours of overtime pay or overtime pay for the actual numbers of hours worked, whichever is greater, and provided such hours are not annexed consecutively to one end or the other of the bargaining unit member's work day. Such overtime pay rate shall be computed on the basis of one and one-half (1 1/2) the bargaining unit member's regularly hourly rate of pay. Portal to portal travel shall be compensable under this Section. Any consecutive call-outs resulting in an absence from home for three (3) or less consecutive hours shall not generate a new three (3) hour minimum.

b. Bargaining unit members employed in the classification of Inspector II who are required to work on a City-recognized holiday shall be paid at the rate of two (2) times their regularly hourly rate of pay, in addition to holiday pay.

The Union's proposal of new language speaks specifically to when Inspector II's are called back in due to an emergency and recommends a three (3) hour minimum at time and one-half for call-outs, including portal to portal travel. The City restated their support for the existing language; “Currently the seven Inspector IIs are on call on a seven-week rotation and receive one (1) hour of straight time pay for call-backs, on an hour for hour basis, with no minimum, which includes portal-to-portal time.” (City Brief, P. 88).

The City's argument to maintain the status quo included a reference to its long history, that the Inspector II's accepted the method of payment when they took the position and how they receive 5% in lieu of OT. The City also
reiterated how any proposal that offers the possibility of increased costs must be considered in light of its financial challenges and rejected.

The Union offered testimony from Inspector II HMEA members that was both thorough and revealing. The Panel found it telling to hear that “…every seventh week Inspector II’s “have no life.” (Union Brief, p 61) Hearing how their off hours’ were strictly abridged, including holiday celebrations with family, all by being the Inspector on call, was important and impressed the Panel. Awarding the Union’s LBO accomplishes several important points quickly:

1. There is a financial recognition of the sacrifice made by the on-call Inspector II that is somewhat more than the current contract language.
2. It only has an impact on the City and the Inspector when there is a call back after hours.
3. The three hour minimum also recognizes the special circumstances of being on call.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, Factor C, changes in the cost of living and Factor D, the existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing, a majority of the Panel awards Issue 24 to the Union with Mr. Romanow dissenting.
ISSUE 25

ARTICLE V - HOLIDAYS AND LEAVE
Section 5.3 Sick Leave Advance of sick leave

LAST BEST OFFER OF THE CITY OF HARTFORD:

No language.

LAST BEST OFFER OF HMEA:

Advance of Sick Leave. Sick leave advance may be granted by the department head with approval of the Director of Human Resources and Labor Relations. In requesting an advance of sick leave, the department head shall submit the following information to the Director of Human Resources and Labor Relations: the length of City service of the bargaining unit member; the sick leave record of the bargaining unit member; and a medical certificate which shall include the prognosis and the probable date when the bargaining unit member will return to work.

a. No advance of sick leave may be authorized unless the bargaining unit member exhausts all accrued leave. In no case shall advance sick leave exceed twenty (20) days at full pay.

b. Any advanced sick leave shall be repaid by a charge against such sick leave as the bargaining unit member may subsequently accrue. No repayment of advanced sick leave shall be required until the bargaining unit member has first accrued five (5) days of sick leave following the bargaining unit member's return to duty.

With Issue 25, the City proposes to eliminate existing language allowing for the advance of sick leave for employees who exhaust sick leave, while the Union recommends the maintenance of the current language. In explaining its proposal to remove the current language, the City offered the testimony of Acting Director of Human Resources Debra Carabillo, who could not recall any use of this contract provision in the last 10 years. (Tr. P. 78) The City also cited that there was an operational program where sick days
could be shared between employees as well, as a short term disability plan. As the moving party for the elimination of existing language it was the responsibility of the City to thoroughly explain their position of why this was needed. They chose to relay on the recollection of one witness and the fact that HMEA members have access to other sources of support but failed to establish why the elimination would be good for the City or HMEA members.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, (D) existing conditions of employment of the employee group and those of similar groups; and (E) the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in the private sector wages and benefits.

Based on the forgoing, a majority of the Panel awards Issue 25 to the Union with Mr. Romanow.
LAST BEST OFFER OF THE CITY OF HARTFORD:

Section 5.5 Family and Medical Leave

Effective upon the issuance of the interest arbitration award in Case No. 2014-MBA-279, an employee who is an "eligible employee" as defined under the Federal Family and Medical Leave Act ("FMLA" or "Act"), 29 U.S.C. §2601 et seq., shall be granted up to twelve (12) weeks of unpaid leave during a twelve (12) month period in accordance with the applicable provisions of the FMLA. Any accumulated paid leave time must be substituted for unpaid FMLA leave and exhausted first, and said paid leave shall be included in, and shall not be in addition to, the aforementioned twelve (12) weeks of allowable leave as permitted by the Act. The twelve (12) month period shall be measured from the twelve (12) months commencing on the date the employee first takes FMLA. A medical certificate as provided in the FMLA shall be required for FMLA leave situations. Employees on FMLA leave shall have the continuity of their employment preserved for seniority purposes. Employees on FMLA leave shall have their health insurance coverage maintained during such leave on the same terms as if they had continued to work, including that employees shall pay any required premium contributions toward the cost of such insurance. If the employee fails to return to work under circumstances described by the FMLA, the employee shall be liable for the retroactive premium payments in accordance with the FMLA. Job reinstatement upon conclusion of the FMLA leave shall be governed by the applicable provisions of the Act.

LAST BEST OFFER OF HMEA:

No New Language.

The City’s proposal would amend the current FMLA benefit from a maximum of 24 weeks in 24 months to 12 weeks in a 12 month period. The parties agreed that it is rare to have an employee use the full benefit but the City was unable to produce any evidence showing that any savings would result from the adoption of the new language. The Union argued that the language should be maintained to protect an employee from being terminated because of an extending absence due to a medical condition. As the party
proposing new language, it was the City's responsibility to develop a solid
argument supported by facts for the change. They did not.

The Panel reviewed all the relevant evidence pursuant to the applicable
Statutory Criteria, giving priority consideration to the Public Interest
and the Financial Capability of the City and viewing the other statutory
factors in light of the priority factors, particularly factor A, the history
of negotiations, Factor B, the interests and welfare of the employee
group, (D) existing conditions of employment of the employee group and
those of similar groups.

Based on the forgoing, a majority of the Panel awards Issue 27 to the
Union with Mr. Romanow dissenting.
ISSUE 28

ARTICLE V – HOLIDAYS AND LEAVE

New Section 5.6 Military Leave

LAST BEST OFFER OF THE CITY OF HARTFORD:

Section 5.6 Military Leave

Military leave and benefits shall be provided in the following manner to each full time employee who is a member of the uniformed services and who is called to active duty or who volunteers for duty.

If the employee's military pay is less than his/her base salary, the employee shall receive the difference between his/her base salary and his/her military salary for up to a total of one (1) year during the employee's employment with the City. Any existing health insurance coverage provided by the City shall continue for up to a total of one (1) year while such employee is on an approved military leave and the employee's contribution for such health insurance coverage shall continue as if the employee were not on military leave. The employee will receive pension credit for military leave of up to one (1) year and the employee's pension contribution shall continue to be withdrawn in the same manner as if the employee were not on military leave. For military leave beyond one (1) year, an employee may choose to receive pension credit for such leave. In order to receive such pension credit, the employee must pay into the pension fund, under the terms proscribed by the pension commission, such amounts as are equivalent to those which the employee would have contributed in the form of employee contributions had the employee not been on military leave for the period of unpaid military leave beyond one (1) year. If the employee elects not to repay the missed employee pension contributions while on unpaid military leave, the employee will not receive pension credit for his or her qualified military service beyond the one (1) year period.

LAST BEST OFFER OF HMEA:

Military leave and benefits shall be provided in the following manner to each full time employee who is a member of the uniformed services and who is called to active duty or who volunteers for duty, or is required to undergo field training in the National Guard, Naval Militia or other reserve forces of the United States of two weeks or more.
If the employee's military pay is less than his/her base salary, the employee shall receive the difference between his/her base salary and his/her military salary for up to a total of one (1) year during the employee's employment with the City. Any existing health insurance coverage provided by the City shall continue for up to a total of one (1) year while such employee is on an approved military leave and the employee's contribution for such health coverage shall continue as if the employee were not on military leave. The employee will receive pension credit for military leave of up to one (1) year and the employee's pension contribution shall continue to be withdrawn in the same manner as if the employee may choose to receive pension credit for such leave. In order to receive such pension credit, the employee must pay into the pension fund, under the terms prescribed by the pension commission, such amounts as are equivalent to those which the employee would have contributed in the form of employee contributions had the employee not been on military leave for the period of unpaid military leave beyond one (1) year. If the employee elects not to repay the missed employee pension contributions while on unpaid military leave, the employee will not receive pension credit for his or her qualified military service beyond the one (1) year period. Notwithstanding the foregoing, bargaining unit members shall be entitled to all benefits provided in the City ordinances adopted by the City Council on January 14, 2008, June 10, 2002, and Section 2A-7 of the Code of City Ordinances as of December 7, 2015.

In its brief, the Union agreed with the latest revision of the City’s LBO.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, (D) existing conditions of employment of the employee group and those of similar groups; and (E) the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in the private sector wages and benefits.

Based on the forgoing, the Panel awards Issue 25 to the City with Mr. Ferguson dissenting.
ISSUE 29

ARTICLE VI - ASSOCIATION ACTIVITIES
Section 6.2 Classification Plan Use of Seasonal employees

LAST BEST OFFER OF THE CITY OF HARTFORD:

4. Seasonal Employees. The City may utilize no more than two (2) seasonal employees in both the Tax Collection Office and the Department of Health and Human Services for seasonal work in HMEA classifications, during a period of either no more than two (2) separate sixty (60) day periods or one (1) one hundred and twenty (120) day period per fiscal year. The same person may be utilized as a repeat seasonal employee provided there is at least thirty (30) calendar days between that person's service as a seasonal employee. Any use of seasonal employees beyond the provisions of this subparagraph require prior written approval by HMEA.

LAST BEST OFFER OF HMEA:

No New Language.

If the City's LBO is selected this will introduce a new contractual provision permitting the employment, without the prior approval of HMEA of two (2) seasonal employees "...in both Tax Collection Office and the Department of Health and Human Services for seasonal work in HMEA classifications, during a period of either no more than two (2) separate sixty (60) day periods or one (1) one hundred and twenty (120) day period per fiscal year." (City, Brief, p. 98) The rationale behind the City's LBO is that "Instead of each year having to approach the Union and again seek to enter into an agreement of this nature, the City seeks the ability to continue this arrangement without the need for annual agreements." (City, Brief, p. 99)

The City's argument continues, "The public interest necessitates that the City be able to respond to these types of situations (the need for part time employees because of seasonal work load) and provide those in need with an appropriate response in a very timely manner. This can be best achieved by providing the City with the added flexibility to continue such short-term arrangements on an as needed basis." (City Brief, p.99) Although the Panel understands and appreciates the need for flexibility, especially on the part of a city so financially strapped, they shared no evidence revealing that the
proposal would afford them anything other than the unfettered opportunity to hire part timers when they wanted to in these two departments.

The Union was seeking to maintain the existing language and practice that has the City getting the Union’s approval to hire part timers to essentially handle work that would be done by bargaining unit members. History tells us that the Union appreciates the bind the City finds itself in and has approved these requests consistently. The existing language allows the Union to protect the work of the bargaining unit while at the same time be responsive to the needs of the City.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, (D) existing conditions of employment of the employee group and those of similar groups; and (E) the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in the private sector wages and benefits.

Based on the forgoing, a majority of the Panel awards Issue 29 to the Union with Mr. Romanow dissenting.
ISSUE 30

ARTICLE VI - ASSOCIATION ACTIVITIES
Section 6.3 Seniority List Superseniority

LAST BEST OFFER OF THE CITY OF HARTFORD:

The Association President, Executive Vice President, and ten (10) Area Representatives shall receive super-seniority rights in the event of lay-off. The Association will supply a list of the above named office holders to the City in February of each year. If the City adds, subtracts or changes work locations, the number of Area Representatives may be changed accordingly.

LAST BEST OFFER OF HMEA:

The Association President, Executive Vice President, and thirteen (13) Area Representatives shall receive super-seniority rights in the event of lay-off. The Association will supply a list of the above named office holders to the City in February of each year. If the City adds, subtracts or changes work locations, the number of Area Representatives may be changed accordingly.

The City’s LBO seeks to reduce the number of Area Representatives ("AR") protected by superseniority from the current total of 15 to 12 including the President and Executive Vice President. The Union seeks the status quo.

As the party suggesting new language the City has the responsibility of demonstrating that the change in language has a demonstrated need, is reasonable and helps them achieve their goals. Instead the Panel heard that all the superseniority slots were not filled, that the City didn’t understand why so many needed such protection and how “…the Union would be harmed in any way by a slight reduction in those protected by superseniority.” (City, Brief, P. 101) The City concluded its argument by agreeing that “The Union may argue that the City identified no problems with the current language, which is true, but "...we negotiate for the future." (City, Brief, p. 102)

Each of these questions asked of the Union are exactly what should be examined during negotiations but none was expanded nor carried the City’s argument to the point that the Panel saw a recognizable need to alter the status quo.
The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, and D, existing conditions of employment of the employee group and those of similar groups.

Based on the forgoing, a majority of the Panel awards Issue 30 to the Union with Mr. Romanow dissenting.
ISSUE 32

APPENDIX B - INSURANCE

Mandatory mail order for prescription drugs after issuance of arbitration award

LAST BEST OFFER OF THE CITY OF HARTFORD:

Mandatory 90-day Supply for Maintenance Medications. Effective upon the issuance of the interest arbitration award in Case No, 2014-MBA-279, all bargaining unit members and their dependents shall be required to get maintenance prescriptions as 90-day fills. The first 30-day fill of that maintenance medication may be made at any participating pharmacy. After that two choices will be available: Receive maintenance medication through the Caremark mail-order pharmacy, or fill the prescription at a pharmacy that participates in the State's Maintenance Drug Network as that network changes from time-to-time. A list of the current participating pharmacies and current maintenance medications are found on State Comptroller's website at www.osc.ct.gov.

LAST BEST OFFER OF HMEA:

Mandatory 90-day Supply for Maintenance Medications. Effective upon the issuance of the interest arbitration award in Case No, 2014-MBA-279, all bargaining unit members and their dependents shall be required to get maintenance prescriptions as 90-day fills. The first 30-day fill of that maintenance medication may be made at any participating pharmacy. After that two choices will be available: Receive maintenance medication through the Caremark mail-order pharmacy, or fill the prescription at a pharmacy that participates in the State's Maintenance Drug Network (see the list of participating pharmacies on the Comptroller's website at www.osc.ct.gov). A list of maintenance medications is posted at www.osc.ct.gov. This paragraph shall not apply to HMEA retirees residing out-of-state or their enrolled dependents living with the retirees out-of-state if there is no a participating pharmacy within twenty-five (25) miles of the retiree's residence and the retiree provides the City documentary proof of residence and the lack of a participating pharmacy within twenty-five (25) miles.

The parties agree that the State's Maintenance Drug Network (SMDN) would be used and agreed to the requirement that there be a “...mandatory 90 day supply of maintenance medication...” (City, Brief, p. 103). The only disagreement is the Union's insistence that the requirement to use the SMDN
"...shall not apply to HMEA retirees residing out-of-state or their enrolled dependents living with the retirees out-of-state if there is no a participating pharmacy within twenty-five (25) miles of the retiree's residence..."

The evidence presented to the Panel reveals that access to the needed pharmaceuticals does not appear to be a problem for retirees and no evidence to the contrary was presented by the Union to the contrary.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group, D, existing conditions of employment of the employee group and those of similar groups; and E, the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in the private sector wages and benefits.

Based on the forgoing, a majority of the Panel awards Issue 32 to the City with Mr. Ferguson dissenting.
ISSUE 33

APPENDIX F - PENSION

Sick leave exchange for more years of service

LAST BEST OFFER OF THE CITY OF HARTFORD:

f. There shall be no sick leave exchange.

LAST BEST OFFER OF HMEA:

All HMEA members retiring after the effective date of the arbitration award in Case No. 2014-MBA-279 shall be entitled to the sick-leave exchange as set forth in subparagraph d. under "Effective December 1, 1998." in Section 3.5 of this Agreement.

The Union’s LBO seeks to reinstate pre 2003 language where retiring employees could exchange unused sick time to count as additional years of service. After a 2003 MOU, new hires were not entitled to the sick exchange benefit. As with any proposal to introduce new language to a contact, the moving party must build a solid case for its inclusion by developing a rational that supports the position, especially challenging for the Union, remembering that the City is in a precarious financial position now and for the foreseeable future. Even in the introduction of evidentiary material by the Union, through its witness, Matthew Sicilia, Vice-President and Consulting Actuary at The Pension Service, we heard that following the Union’s LBO to reintroduce a sick leave exchange, the City would incur an annual increase of $211,200 for those who took advantage of the benefit. ((Tr. Vol. 9, p.12)

In light of the Panel’s rulings on fiscal items, such as the increased cost of health insurance to HMEA members and a modest pay raise over the term of the contract, which were all done to assist in the operational changes needed to move the City towards financial health, it will come as no surprise that the LBO of the City has been selected.

The Panel reviewed all the relevant evidence pursuant to the applicable Statutory Criteria, giving priority consideration to the Public Interest and the Financial Capability of the City and viewing the other statutory factors in light of the priority factors, particularly factor A, the history of negotiations, Factor B, the interests and welfare of the employee group. (D) existing conditions of employment of the employee group and those of similar groups; and (E) the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in the private sector wages and benefits.

Based on the foregoing, a majority of the Panel awards Issue 33 to the City with Mr. Ferguson dissenting.
Signature Page

In the Matter of

CITY of HARTFORD

AND

HARTFORD MUNICIPAL EMPLOYEES ASSOCIATION (HMEA)

ARBITRATION PANEL

Mark E. Sullivan, Ph.D
Panel Chair

4/20/17
Date

John M Romanow, Esq.
Management Panel Member

4/20/17
Date

James Ferguson, Esq.
Labor Panel Member

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