

October 12, 2022

**Arbitration Award**

Town of South Windsor

&

South Windsor Police Union, NIPSEU

Case No. 2022-MBA-161

**Panel:**

Michael Ricci, Panel Chair, Representing the Interests of the Public

Ronald J. Pugliese, Jr. Esq. Representing the Interests of Labor

John M. Romanow, Esq., Representing the Interests of Management

**For the Town:**

Lisa S. Lazerik, Esq.

Metzer, Lazarek & Plumb LLC

**For the Union:**

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## **1.Introduction**

The Town of South Windsor (Town) and the South Windsor Police Union, NIPSEU (Union) are parties to a Collective Bargaining Agreement (CBA) that expires on June 30, 2021. As is prescribed by the Municipal Employees Relation Act (MERA), the parties engaged in successor contract bargaining however, they were unable to reach an agreement and thus they declared impasse and proceeded to Interest Arbitration.

This Arbitration Panel was designated per section of 7-473c of the Connecticut General Statutes.

The Parties agreed to a waiver that modified MERA timelines and submissions.

The Parties virtually held an initial hearing on March 2, 2022. Three evidentiary hearing were virtually held: on May 16, 2022, May 23, 2022, and June 15, 2022. The parties mutually agreed to virtual hearings held on the Zoom platform. The Parties were duly noted of the hearing schedule. At all the hearings, the Parties were given ample opportunity to present evidence, to examine and cross-examine witnesses and to make arguments. The hearing portion of the proceedings were deemed closed after the June 15, 2022 hearing.

Per mutual agreement, the Parties electronically submitted Last Best Offers (LBOs) on July 15, 2022, briefs filed September 12, 2022, and a reply brief was filed by the Town on September 27, 2022. The Parties also sent hard copies of their Briefs to the Panel. The Executive Sessions was held virtually on the Zoom platform on September 30, 2022.

The Panel makes the Award as dictated by the criteria set in Section 4-473c (d)(9) of the Connecticut General Statues. The evidence, testimony and arguments duly presented were studied and deliberated through the lens of the statutory criteria set forth. The Panel has considered all the evidence and arguments made by the

parties; however, the Award may not have repeated every item of documentary evidence or testimony: nor re-stated each argument of the parties.

## **2. Statutory Factors**

As stated in the introduction, the following language enumerates the statutory criteria for which Panel must follow in making the Award:

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 interests and welfare of the employee group; (C) changes in the cost of living; (D) the 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 private sector wages and benefits.

Connecticut General Statutes §7-473c(d)(9)

### **3. Issue in Dispute**

#	Issue	Article	Description	Para- graphs	Proponent
1	1	NEW 4.3	Bi-weekly Pay Periods	12	Town
2	2	5.1	GWl Effective 7/1/21	13	Joint
3	3	5.1	GWl Effective 7/1/22	13	Joint
4	4	5.1	GWl Effective 7/1/23	13	Joint
5	5	5.1(b)	457 Match	16	Union
6	6	6.3(b), 3rd	Number of Rotations for New Officers	22	Town
7	8	18.1	HSA Premium Cost Share Effective and retroactive to 1/1/22	100	Joint
8	9	18.1	HSA Premium Cost Share Effective 1/1/23	100	Joint
9	10	18.1	HSA Premium Cost Share Effective 1/1/24	100	Joint

## **4. Background**

The Town of South Windsor is located in the north central section of Connecticut. It enjoys an enviable position because it is close to the cities of Hartford and Springfield, MA, plus it is between Boston and NYC. It has immediate access to major interstate highways (I-91, I-84, I-290), Bradley International Airport and major railroad lines.

(There are 169 towns in the State and thus, whenever the Towns ranking is stated in the Award, the ranking is in comparison to the other 168 towns)

Per the testimony and the evidence presented, South Windsor is one of the fastest growing municipalities in the state and one of only five who experienced population since the last census. It is the 41<sup>st</sup> most populous town with a population of just over 26,000 and encompasses 28 square miles. The population density is 923 per square mile or higher than the State average density of 738 and making it the 47<sup>th</sup> most densely populated. In total, there is over 10,286 housing units, with 80% being single units, and almost 84% being owner occupied. About 82% of the land is being used for residential purposes with the remainder used for commercial, industrial, and agricultural.

With the median age of the Town being 42.3 years old, South Windsor is slightly older than the State (41.0). The median household income is \$107,374 (2021) and thus, considerably higher than the median income of the State (\$78, 444). The per capita income is \$47,900, ranking it the 75<sup>th</sup> highest. The Town's low poverty rate of 4% (compared to the state's 10%) is indicative of the above average household and per capita income. There are 7,172 families in South Windsor with 67% earning over \$100,000 (20% greater than the state average) and 21.3 earning more than \$200,000 (6.5% greater than state average). The wealth ranking of

South Windsor (as of 09/21) according to the Adjusted Equalized Net Grand List per Capita (AENGLC) formula is 64<sup>th</sup>. That formula divides the Equalized Net Grand List (\$4,276.789B) divided by the population (26,162), then divides that figure by the Per Capita Income (\$47,910) for an AENGLC of \$65,909. Thus, South Windsor is in the top 38% for wealth in the State.

Regarding education, the Town is comparable with other Connecticut suburbs/exurbs regarding post-secondary education. South Windsor has a higher share of Bachelor or Post-graduate degrees (58.5%, State: 37%), a corresponding lower number of Associates degrees of 9% and a lower percentage of attaining only a high school degree (23%, State 27%). Therefore, the greater average of higher degrees of education and the corresponding number of lower degrees shows the Town, as a whole, is more educated than the average in the state. It spends \$16,688 (FYE'19) per student, a number that is 4% lower than the state average \$17, 392 and 7.5% below the state median. Statistically, its education spending ranks it 120<sup>th</sup> or in the lowest tertile. In total there are six public schools in the Town: four elementary, one middle school and one high school.

According to the 2021 South Windsor Comprehensive Annual Financial Report (CAFR): the combined budgets for operating and capital accounts total \$127.9m, which is a 2.91% increase over the prior fiscal year. The Mill Rate was set at 37.86 (both property and motor vehicles), which is a .02 mill decrease over the previous year. The slight cut of the Mill Rate was due to an increase in tax payments \$3.8 (3.62%) which was attributable to the 3.64% increase in the Grand List. Any decrease in a Mill Rate (no matter how slight) in a non-reevaluation period is a positive financial sign. The proposed mill rate for 2023 is 38.71 which is an increase of .85 or 2.25% over the previous year.

South Windsor has achieved and enjoys an exemplar credit rating from Standard and Poors (AAA). Rating agencies are authorities on the economics of the entities they rate, because of their fiduciary responsibility to the potential bondholders. The agencies bond ratings provide an unvarnished, apolitical and professional opinion on the economy of South Windsor. In this economic moment, an

excellent credit rating allows entities to borrow at negative interest rates. In other words, South Windsor and other top tier rated entities, borrow at interest rates below the rate of inflation. In fact, according to the CAFR, South Windsor is paying between 1.1% to 5.0% interest on their General Obligation Bonds; in effect, they are paying negative interest rates which is a discount rate that is less than the cost of inflation. The Town's achievement has an obvious positive impact on their ability to finance capital improvements. In Moody's, January 6, 2020 Rating Action (Un3, pg5) which assigned South Windsor AAA, the document sums it up: *Despite the ongoing global pandemic which began in March 2020 with the onset of COVID-19 and continues to impact the world's public health response, South Windsor has remained financially strong and continues attract business development investments. The Town also continues to draw new people to the area. This is in large part to the diverse business environment, an outstanding school system, several large colleges and universities nearby and numerous health care facilities. South Windsor is not alone in facing the challenges stemming from the global pandemic and continues to reinforce fiscal stewardship, operational efficiencies, strategic investments and effective management. The Town continues to be well positioned to adapt to the ongoing pandemic while maintaining it high level of service to the community."*

According to the CAFR, in Fiscal Year (FY) 2021 had: Revenue: \$174.1m and Expenditures: \$153.9m for an accounting surplus of just below \$20.2m. The Town's fund balance is \$34.973M with an unassigned fund balance at the end of the fiscal year being \$28.15M or 22% of the budget; this percentage is more than double the assigned fund balance that the bond rating companies view as financially prudent.

Concerning revenues, the Town total revenues are \$160.475m. Property Taxes are the largest segment at \$110.912m or 70.5%. Next is the Intergovernmental Revenues (which the CAFR also titles Operating Grants and Contributions) segment of \$37.059m or around 24.9%. Miscellaneous fees and other revenues (i.e., fee, permits, etc.) make up the other the remainder. The Town has a tax collection rate of over 99.3% (which should be noted was constantly high even



during the worst of the pandemic). Also worth noting is the unexpected increase in service-related revenue of \$1.4m which appears to be from building fees and fire marshal services; this increase portends a longer-term positive effect on Grand List growth. In relativity, the Town has a good mix of revenue sources, with the property tax segment not overly reliant on one entity (sans the electric utility no one taxpayer represents more than 11% of the total appraised property); thus, South Windsor's finances are not subject to vagaries of one particular taxpayer or entity. This amelioration of potential instability shows in the Town's solid financial position.

The Federal and State governments' responses to the pandemic have resulted in various grants and funding to help municipalities deal with the health issue and its aftermath. There was the Coronavirus Aid, Relief, and Economic Stabilization Act (CARES Act) in March of 2020. Then in December of 2020, the CARES supplemental appropriations act which extended and funded CARES programs; including Elementary and Secondary School Emergency Relief Funds (ESSER I & II). In March of 2021, the American Rescue Plan Act (ARPA) was enacted. Every state and local government (plus virtually every for-profit and non-profit concern) were recipients of the federal taxpayers' largess; South Windsor was no different. According to the Union, the Town expects to receive a total of \$7.743M from the CARES Act, \$683K from ESSER grants, \$9.1m from ARPA. The Town plans on honoring the requirements of receiving the grants and funds by various investments in security enhancements and improvements in both structural and intellectual/emotional capital. South Windsor also received \$850k from the Connecticut Municipal Coronavirus Relief Fund Program to help pay for pandemic related expenses incurred by the Town and the Board of Education.

According to the Town of South Windsor Budget Book total aid from the State is projected to be \$12.8m or 9.54% of total revenue. Educated Cost Sharing is estimated to be \$10.7m. Grants for municipal projects at \$1.8m and PILOT payments for state properties.

In regards to expenditures, as is the case with Connecticut municipalities education funding consumes a large share of the overall budget; in South Windsor it is \$109.109m or 70.5% of total expenditures. The cost of Public Safety is \$11.920m, which equates to around 7.7%. For the remainder public services (per the percentage of expenditures): Public Works: 12.2; general and Parks/Recreation: 3.8%. The Expenditures per Real Estate Unit for FY8 is \$18,577. Spending 70% of the total budget on Education is the norm in the State.

Concerning the Town's debt, the total debt (bonds, pension liabilities, OPEB liabilities) is \$3,769 per capita, ranking it 60<sup>th</sup> for the highest per capita debt. The total debt per capita is broken down to: general obligation bonds: \$2,864; pensions: \$641 and OPEB \$264. The debt obligations put the Town in the following rankings (in the most indebted): bonds: 37<sup>th</sup>, pensions: 67<sup>th</sup> and OPEB: 92<sup>nd</sup>. The bonding debt is primarily to fund school upgrades. It is an axiom that with population growth there will be student growth and according to the Town Manager, the Town has the highest rate of student growth in the state. In recent years, there has been issuance of \$20m in debt per year to help fund the growth in schools. Thus, debt service in FY 22 will be 8.27% of expenditures. As stated above, the Town served itself well by achieving the AAA credit rating and thus borrowing funds below the rate of inflation.

Prior to the Pandemic, there has been scant or negative growth in municipal grand lists per the hangover of the Great Recession. However, with the trillions of dollars in overt and less obvious dollars that the Federal Reserve Bank and the Federal Government poured into the economy to counter the effects of the shutdown, the real estate market has been supercharged. The perfect storm: the influx of capital into the market, the lightning like move to virtual work and the hastened migration to greener and wider environments has made the demand for suburban living greater than the supply of housing. This is especially so in towns like in South Windsor that have a fair amount open space, a well-run government, good schools and a prime location. However, the specter of over-heated development has prodded certain regulatory boards in the town to scuttle some developments at the objection of town leaders. The boards' hindering of

development, plus a court ordered tax abatement on a large industrial property in bankruptcy, has lowered grand list growth from 3.64% to 2.91% (as of January 2022). Prior to the self-induced limit on growth, the Town has had approximately one million square feet of warehouse space built and a new Costco; however, much of these developments have tax abatements of seven years, so for the near future the Town will receive 30% of the property taxes. In conclusion, South Windsor's natural and nurtured attributes should present the Town with above average grand list growth in the future.

In a decade, the national economy and world economies have been battered with the Great Recession and the Pandemic; now the world is dealing with the economic instability from the war in the Ukraine. Regarding the Great Recession and the pandemic, the Federal government and the Federal Reserve Bank have marshalled their forces to attempt to mitigate the effect of both situations. After the Great Recession the Connecticut economy took a hit more severe than other states. It had been on a deliberate march forward until the pandemic hit. The State economy has gained back close to all the jobs lost during the shutdown and in the near future it is projected to finally be back to the employment levels enjoyed before the Great Recession. As stated above the Federal government in tandem with the Federal Reserve Bank have been flooding the economy with dollars to stave off a pandemic induced recession. Their efforts seemed to work; the stock market hit new highs and the GDP had hit the highest percentage increase within decades. As in any action there is a reaction. The unprecedented flooding of the market with dollars compounded with the fallout of the Russian invasion of Ukraine choked off supplies of commodities (e.g. oil, wheat) and the supply chain issues created by health (covid) and political actions (tariffs) have upset the supply/demand equilibrium that the world has enjoyed over the past decade. Naturally, the market reacted to the decrease in supply and the increase in demand by raising prices. In the past two years the rate of inflation has increased more than it has in the past four decades. According to the Town's Brief, the Consumer Price Index (CPI) numbers are: 2018, 2.4%; 2019, 1.8%; 2020, 1.2%, 2021, 4.7% and 2021, 8.6%. The Union in their Brief has the one-year CPI as of April 2022 at 8.3%, and as of July 2022, the yearly CPI at 8.5%. The current

economy defies logic: there has been two quarters of negative GDP growth, but there is still a shortage of workers. Locally, the State budget is enjoying record surpluses, which bodes well for the municipalities like South Windsor (as stated above state aid makes up 9.54% of the Town's total revenue.)

The bargaining unit is comprised of 46 certified officers inclusive of command staff. There are approximately 44 bargaining unit members in the ranks of patrol officer (PO), corporals, sergeants and lieutenants. The base salaries range \$72,703 (Patrol Officer minimum) per year to \$117,98 per year (Lieutenant).

There are ten other bargaining units in the Town for comparables. By and large, the other bargaining units negotiated their contracts right before or during the pandemic and notably before the increase in inflation. The average GWI for FY 2021-2022 is 2.12%. Concerning the medical insurance, the Union is nominally low in employee premium cost share (PCS) in comparison to the other bargaining units; however, this is due to the fact that the Police do not receive any employer contribution to the deductible. Concerning external comparables, the Police salaries are within the top third of their peers.

The bargaining history is that the parties commenced bargaining in March 2021. During the process there was a particular issue with one of the proposals where a Municipal Prohibited Practice (MPP) was filed. While the MPP was being investigated there was no bargaining taking place. Then a Municipal Employees Prohibited Practice (MEPP) was filed. During the process of dealing with the MPP and MEPP a settlement was reached, and the parties commenced bargaining. They were not able to reach an agreement and therefore, started the arbitration process by engaging the Panel through the State Board of Mediation and Arbitration.

## **5. Last Best Offers/Discussion/Award**

### **Issue 1**

#	Issue	Article	Description	Para- graphs	Proponent
1	1	NEW 4.3	Bi-weekly Pay Periods	12	Town

#### **Town's Last Best Offer:**

Bi-weekly pay periods may be implemented by the Town on or after December 1, 2022. The implementation will take place during a month that has three pay periods.

#### **Union's Last Best Offer:**

**\*\* No Proposed Language \*\***

### **Discussion**

Issue 1 concerns language to enable the Town to implement bi-weekly pay. The Town is the moving party.

South Windsor argues that the proposal would bring efficiencies and savings from the change to bi-weekly. They estimate it will save the Town \$26,000 annually. The Police Union is the only bargaining unit in the Town that does not have this language.

The Town notes that the Union objects to the language because the long-standing practice (at least 26 years) is to be paid weekly and the change could detrimentally affect the way the bargaining unit members manage their money.

They further point out that this argument is based on personal preference as is corroborated by testimony of the Union President.

The Town has demonstrated that there is no adverse effect to any of the bargaining unit members. Per the language proposed (and in the other CBA of the other unions), any implementation would take place in a three bi-weekly paycheck month to help mitigate any short-term impacts; this point is corroborated by the Union President in his testimony. Furthermore, they note that Town Exhibit 8A documents that there would no *tax penalty* due to the change.

Finally, the Town reasons that the language (which was agreed to by every other bargaining unit in the Town) should be awarded because it will provide efficiencies and savings for the Town, while having no adverse effect on the Bargaining Unit.

The Union counters that the Town knew the bargaining unit was opposed to the change to bi-weekly pay but South Windsor never inquired why they opposed the change. Furthermore, according to the Union President, the Union was never informed about the projected savings. Lastly, there is no evidence that any bargaining unit member was in favor of the change.

The Union points out that the true cost to the Town would be about \$8,800 if the issue is awarded to the Union. They state that if the Town moved the rest of their employees to the bi-weekly without the Police unit, then the savings would be \$18,200. In other words, since the bargaining unit makes up 34% of the total municipal employees, the Town would reap 66% of the proposed savings without the change for the Police unit.

The Panel acknowledges the proposal is a change from the long-standing practice; however, it is a change to a very common practice throughout the labor market, it

has a temporary impact and most importantly, it achieves efficiencies without a negative effect. A majority of the Panel believes that awarding Issue 1 to the Town will best serve the statutory criteria and the ultimate collective interests of the parties.

### **Award**

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 1 to the Town**

The Management Arbitrator concurs.

The Union Arbitrator dissents.

## Issues 2, 3 & 4

#	Issue	Article	Description	Para- graphs	Proponent
2	2	5.1	GWl Effective 7/1/21	13	Joint
3	3	5.1	GWl Effective 7/1/22	13	Joint
4	4	5.1	GWl Effective 7/1/23	13	Joint

### Issue 2

#### **Town's Last Best Offer:**

**2.25%**

#### **Union's Last Best Offer:**

**3%**

### Issue 3

#### **Town's Last Best Offer:**

**2.5%**

#### **Union's Last Best Offer:**

**3%**

### Issue 4

#### **Town's Last Best Offer:**

**2.75%**

#### **Union's Last Best Offer:**

**3%**



## Discussion

Issues 2, 3 and 4 concern the General Wage Increases (GWI) for the three years of the contract.

The Union proposes 3% GWIs for each year of the contract (retroactive where applicable)

South Windsor proposes: 2.25%, 2.50%, 2.75%.

The Union notes that the two sides are close. The difference between the proposals is only \$64,749 over the life of the contract or .048% of the total Town budget. They point out that their offers match the wage increases the Town gave to the teachers. Also, their wage proposals are reasonable considering the current inflationary pressures, the tight labor market, the fact that the wages for government employees (nationally) are increasing on average by 3.2% and by 4.0% in the private sector. Lastly, based on the statutory criteria, especially the Town's ability to pay and the CPI, the Union's offers should be awarded.

The Town argues that their wage proposals are reasonable in light of the internal and external comparables. They show that the average internal wage increase for year 2021-2022 is 2.12% with the highest being 2.5% for the Nurses union. Therefore, there Town's offer of 2.25% is higher than the town wide average while the Union offer (3.00%) is unreasonable considering the internal comparisons. Likewise, the external comparisons show that no police unit in the Town's DRG (B) were close to 3.00% increases, with most towns being between 2.00% and 2.25% (sans two outliers at 2.50%). Moreover, the Town reasons that the Unit is well compensated. The record shows that the Unit's wages are the top or near top in comparison to their peers. Therefore, above average GWIs are not needed or justified to remain competitive on compensation. Finally, the Town

argues that their offers on wages are reasonable within the internal and external comparisons.

The wage issue, more than any other issue, has the ability to be quantitative; the GWI is in essence a *cost of living allowance* and therefore closely tied to the CPI. Although, there may be local minor variances in the inflation number, it is, in all practical purposes quantitative and not subjective. There are literally hundreds of GWIs negotiated every year in the 169 municipalities in the state and a larger number of wage increases negotiated in the private labor market: these all set a pattern or *market*. However, in this historical moment there is sharp divergent between the market GWIs and the rate of inflation (CPI). This is exactly the case here: the comparables show GWIs being far less than the increase in inflation

The Panel opines that the award that best serves the statutory criteria and deals with the comparable GWI/CPI issue is: year 1 to the Town, year 2 to the Union, year 3 to the Union. In year 1, the inflationary pressures were just starting to increase so the CPI is lower. Plus the Town's offer is closer to the external comparables than the Union proposal is and it is actually higher than the internal comparable average of 2.12%. In year 2, there is a trend of the comparables increasing (especially the wages negotiated more recently) and the CPI doubling (from the previous year) so the Union's offer is reasonable and appropriate. In year 3, the parties are only .25% apart. Considering the closeness of the two proposals, also that recently negotiated comparable wages for the corresponding year have been increasing and even if the CPI were cut to a fraction of the current rate it would be higher than the award, the Panel opines the Union offer is more appropriate and reasonable.

### **Award**

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 2 to the Town.**

The Management Arbitrator concurs.

The Union Arbitrator dissents.

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 3 to the Union.**

The Union Arbitrator concurs.

The Management Arbitrator dissents.

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 4 to the Union.**

The Union Arbitrator concurs.

The Management Arbitrator dissents.

## Issue 5

#	Issue	Article	Description	Para- graphs	Proponent
5	5	5.1(b)	457 Match	16	Union

### **Union's Last Best Offer:**

All employees will be eligible to receive a voluntary 457 contribution match. The Town shall match the employee's weekly contribution up to a maximum of 3% of their base pay earnings. In order to receive this benefit, the employee must elect to open a 457 account or may use an existing 457 account previously established.

### **Town's Last Best Offer:**

All employees will be eligible to receive a voluntary 457 contribution match. The shall match the employee's weekly contribution up to a maximum of 2% of the base pay earnings. In order to receive this benefit, the employee must elect open a 457account or may use an existing 457 account previously established.

## Discussion

Issue 5 concerns the match contribution for the 457 Plan. The current match is 2% of base pay earnings.

The Union's proposal is to increase the match by 1% to a total of 3%.

The Town seeks no change through their proposal of the current contract language.

The Union reasons that the increase in the match will help in recruiting new officers. They point to the Chief's testimony that some potential recruits are dissuaded to take employment with the department because they will only be eligible to participate in the Defined Contribution Pension Plan. Thus, an increase in the 457 match will help ameliorate the negative economic impact from being denied the ability to participate in a defined benefit plan. The Union notes, that as testified by the Union President, increasing the pension benefits for the entire unit is extremely important for the bargaining unit. As the bargaining history shows, the Union had a list of proposed pension improvements, however they settled on the 457 proposal. Lastly, they site that the total cost for the proposal (utilizing the census in Union Exhibit 22) as \$4,923.35 over the life of the contract (yr1:\$1,191.88, yr2:2,192.79, yr3:1,545.68)

The Town counters that in negotiations the Union expressed interest in returning to a defined benefit pension plan for all members and there was no discussion on an increase to the 457. Since the Union did not have a 457 increase proposal on the table there was no vetting of the issue. They argue since the Union has not provided any costing of their proposal, as dictated by the Statute, then the Panel has no evidence to evaluate the cost or validity of the proposal per the criteria in MERA. They further argue in their Reply Brief, that the cost the Union cited in their Brief is the first costing of the proposal that they have seen. Therefore, the Panel should award the issue to the Town because of the "deficiencies" in the proposal per the Statute.

The Panel acknowledges the admiral goal of enhancing recruitment of fellow officers. However, the Panel does not understand how increasing the benefit for all the bargaining unit, especially the participants in the Defined Benefit plan accomplishes the goal. Moreover, the costing issue is a Statutory hurdle the proposal would have to surmount before it could be awarded.

### **Award**

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 5 to the Town**

The Management Arbitrator concurs.

The Union Arbitrator dissents.

## Issue 6

#	Issue	Article	Description	Para-graphs	Proponent
6	6	6.3(b), 3rd	Number of Rotations for New Officers	22	Town

### **Town's Last Best Offer:**

Upon completion of the field training process each new patrol officer shall rotate through each of the three watches for a total of six (6) schedule rotations (72 weeks). "One rotation" shall consist of one full schedule assigned to each watch. Watch assignments for such rotators shall be at the discretion of the Chief of Police however, the intent of this rotation is to ensure that each new patrol

### **Union's Last Best Offer:**

Upon completion of the field training process each new patrol officer shall rotate through each of the three watches for a total of (3) schedule rotations (36 weeks). "One rotation" shall consist of one full schedule assigned to each watch. Watch assignments for such rotators shall be at the discretion of the Chief of Police however, the intent of this rotation is to ensure that each new

patrol officer is exposed to the activities and routines of each of the three patrol watches.

### **Discussion**

Issue 6 concern *rotators* or *free assigned* rotators. The current language allows the Department to assign new hires to a shift for the first three 12-week long shift rotation.

South Windsor proposes to increase the number from three shift rotations to six rotations.

The Union seeks no change per their proposal of the current contract language.

The Town reasons that the added rotations will give the new hires more opportunities to learn from different seasoned officers and the ability to experience more aspects of the community. With only three rotations, the new hire is limited to working with and learning from a limited number of other colleagues since the personnel does not usually change due to the seniority driven composition of any shift. In his testimony, the Chief stated that he believes a second time through the shift rotation will help the new hire build stronger ties to the department and community, plus it will help the new hires from experiencing frustration by being relegated (by the seniority bidding) to the third shift. Finally, the Town argues that the temporary inconvenience the existing officers will experience is outweighed by ensuring their colleagues have the best ability to be engaged in the various aspects of policing.

The Union counter argues that the change will have an impact on the morale of the department. They note that the added ability to free assign a new hire will affect the seniority bidding system. According to the testimony of the Chief it takes approximately four years of seniority for an officer to be able to successfully bid



for a more favored shift. With the proposed language, it could take up to another three years to achieve the adequate seniority to be able to secure a more favorable shift. Finally, the Union reasons that the Town has not provided a *glaring* reason to support the change and ultimately, the harm it will do to the morale of the department will outweigh any possible good it will produce.

For an arbitration panel to change existing contract language, there must be a persuasive argument to warrant the change. The majority of the Panel does not believe that by doubling the new hire rotations the ultimate good of the department will be served. We understand and appreciate the reason for the proposal, however the Union's argument on the potential negative impact on morale of the entire bargaining unit is a point well taken.

### **Award**

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 6 to the Union**

The Union Arbitrator concurs.

The Management Arbitrator dissents.

## Issues 8, 9 & 10

#	Issue	Article	Description	Para- graphs	Proponent
7	8	18.1	HSA Premium Cost Share Effective and retroactive to 1/1/22	100	Joint
8	9	18.1	HSA Premium Cost Share Effective 1/1/23	100	Joint
9	10	18.1	HSA Premium Cost Share Effective 1/1/24	100	Joint

### Issue 8

#### **\*Union's Last Best Offer:**

Town: Decrease by .25% over the rate in effect on 12/31/21.

Member: Increase by .25% over the rate in effect on 12/31/21

#### **Town's Last Best Offer:**

<b>Town</b>	96.25%
<b>Member</b>	3.75%

**Issue 9****Union's Last Best Offer:**

Town: Decrease by .25% over the rate in effect on 12/31/22.

Member: Increase by .25% over the rate in effect on 12/31/22.

**Town's Last Best Offer:**

<b>Town</b>	Decrease rate in effect on 1/1/22 by 1%
<b>Member</b>	Increase rate in effect on 1/1/22 by 1%

**Issue 10****Union's Last Best Offer:**

Town: Decrease by .25% over the rate in effect on 12/31/23.

Member: Increase by .25% over the rate in effect on 12/31/23

**Town's Last Best Offer:**

<b>Town</b>	Decrease rate in effect on 1/1/23 by 1%
<b>Member</b>	Increase rate in effect on 1/1/23 by 1%

**Discussion**

Issues 8, 9 and 10 concern Medical Insurance employee premium cost share (PCS) for the three-year duration of the CBA. Currently the Bargaining Unit is paying 3.75 percent PCS (the Town is paying 96.25%) that was negotiated in the prior

contract. Also, in the last negotiation the parties decreased the PCS (from 15% to 3.75%) in exchange for ceasing the 50% employer contribution to the deductible.

The Union is proposing: an employee PCS of 4.00% effective 1/1/22; an employee PCS of 4.25% effective 1/1/23; an employee PCS of 4.50 effective 1/1/24.

The Town is proposing: an employee PCS of 3.75% effective 1/1/22; an employee PCS of 4.75% effective 1/1/23; an employee PCS of 5.75 effective 1/1/24.

The Town argues that their proposals on the PCS are reasonable when considering the internal comparables. They note that even if the Town is awarded all their proposals the Police will still have the lowest PCS among all the bargaining units. Also, the Union's contention that the lower PCS is compensation for the lack of employer deductible contribution is inaccurate, since the trend is to reduce the employer contribution for the other bargaining units; in fact, the Professionals and Town Hall units will be contractual reducing the contribution (to 45% and 35% respectively) but keeping their PCS at 15%. Finally, South Windsor points out that a one percent annual PCS increase is standard in Connecticut interest arbitrations.

The Union explains that their current PCS (3.75%) is reasonable since they are not receiving any employer contribution to the deductible. In the last negotiations they exchanged the employer contribution to the deductible for a lower PCS, and they also raised the deductible from \$2,000/4,000 to the current \$2,250/4,500; these changes saved the Town \$78,750 annually. They argue that the Town's intent to raise the PCS by one percent a year in 2023 and 2024 would increase the PCS cost by a *staggering* 5.75% in just a 15-month span.

The parties in their wisdom have negotiated a lower than market PCS in exchange for zero employer contribution to the deductible. Since this was accomplished in negotiations it is assumed that the deal reached had mutual benefit. In other words, the cost of ceasing the deductible contribution is commensurate with the lowering of the PCS. The point being is the PCS was negotiated and thus assumed reasonable within the full economic context of medical costs. The PCS maybe be

*nominally* low within the market, however it is assumed average within the full context of the HDHP funding (again because it mutually agreed to by the parties). This being said, the Panel opines that the ever-increasing cost of medical necessitates some form of increase to the PCS, however, the standard *point-a-year* it is not appropriate in this negotiation. The Panel finds that awarding year 1 to the Town which is no increase and more favorable for the police, year 2 to the Town and year 3 to the Union. This will bring the PCS to 5% in the last year of the contract which in the full context of the health care funding will be reasonable and satisfy the statutory criteria.

#### **Award Issues 8, 9 & 10**

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 8 to the Town.**

The Management Arbitrator concurs.

The Union Arbitrator dissents.

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 9 to the Town.**

The Management Arbitrator concurs.

The Union Arbitrator dissents.

The Panel has taken into consideration the evidence and testimony presented, examined it through the lens of Connecticut General Statute §7-473c(d)(9) and awards: **Issue 10 to the Union.**

The Union Arbitrator concurs.

The Management Arbitrator dissents.

### **Conclusion**

The Arbitrator has considered all the evidence and arguments made by the parties. The Arbitrator, however, may not have repeated every item of documentary evidence or testimony: nor re-stated each argument of the parties.

I, Michael R. Ricci, do hereby affirm upon my oath as Arbitrator that I am the individual described in and who executed the foregoing instrument, which is my Award.

October 12, 2022

Arbitrator Michael R. Ricci

Town of South Windsor  
&  
South Windsor Police Union, NIPSEU

2022-MBA-161

(Per Section 7-473c of the Connecticut General Statutes: Interest Arbitration Award)

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Michael Ricci, Chairman, Representing the Interests of the Public

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Ronald J. Pugliese Jr., Esq., Representing the Interests of the Union.

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John M. Romanow, Esq, Representing the Interests of Management