



STAFF REPORT

AGENDA ITEM #: 24-22
COUNCIL MTG. OF: March 5, 2024
FROM: Dave Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Administration
SUBJECT: Derry Police Supervisors (DPS) CBA

INTRODUCTION:

To seek Council ratification of a collective bargaining agreement with the Derry Police Supervisors - SEIU-DPS

TOWN ADMINISTRATOR COMMENTS

Please see comments within this staff report.

BACKGROUND

The Town successfully negotiated agreements with all seven collective bargaining units effective July 1, 2021. Although five of the unions agreed to five-year terms, the remaining two units, the Derry Police Patrolmen's Association and the Derry Police Supervisors opted for three-year agreements, expiring on June 30, 2024. During the term of the existing agreements, the Town negotiated a one-time lump sum payment outside of base equal to 1.5% of wages for year one, and 2% annual increases for the balance of the terms. In recognition of the comparatively low adjustments with uncertain inflationary pressures looming, most of the unions argued for inclusion of a "Me-Too" clause, which would provide adjustments should the Town negotiate a higher COLA in the future. Only AFSCME (support staff) did not request such a provision.

More recently, inflationary pressures and a labor shortage across virtually all sectors have joined to create wage pressures impacting the Town's ability to attract and retain staff. In preparation for these negotiations, Labor Counsel Anna Cole along with Human Resources Director Catherine St. Ledger met with the Town Council on August 15, 2023 to share information on trends in law enforcement compensation, which confirmed substantial increases in wages paid by other employers. The Council acknowledged the information and noted that, in some instances, labor grade reconstruction hadn't occurred for many years, and current competitive pressures may require the Town to consider that action.

To fund some budget costs, the Town continues to draw upon various budget stabilization accounts as revenues were adversely impacted during the Pandemic; this reliance upon non-sustainable revenues is designed to decline over the next few years until such time as customary revenues and the growth in the property tax base recovers to assume full responsibility to fund recurring expenses. We expect this trend to extend given the fiscal impact of the proposed collective bargaining agreements with the police unions.

DISCUSSION

SEIU represents 13 officers within the Derry Police Department. As the attached redlined agreement indicates, there were some substantive changes to the Agreement beyond wages. Among the recommended changes are:

- 1) Five-year agreement to June 30, 2029
- 2) Increases in shift differential pay to encourage bidding for various shifts and to remain competitive in the marketplace.
- 3) Contribute to a 457 savings plan or an officer’s outstanding student loan balance for those officers whose tenure in the New Hampshire State Retirement System does not allow the Town to contribute to the System for those officer’s hours worked on Outside Details.

On wages, the Town completed a survey of the 10 largest NH communities (not including Manchester and Nashua) to determine competitiveness, which is standard procedure the Town has adopted. The Town and Union agreed to a revised wage scale which restructures the starting wages in this unit at a point to maintain the present separation between these positions and those in the Derry Police Patrolman’s Association. Wages for the final four years of the agreement would be adjusted by the actual changes in the Northeast CPI -U with a floor of 2% and a ceiling of 4.5%. Overall, the average wage increase for FY25 is 7.7%.

FISCAL IMPACT

- 1. It is estimated that the Year 1 cost of the agreement for DPS will include:

Wage Proposal (including rolls up such as NHRS):	\$125,763.30
Shift Differential:	<u>\$ 15,163.20</u>
	\$140,926.50

Pursuant to the Town’s five-year operating projections, funds from the revenue stabilization accounts are being used to offset some operating costs on a declining basis until such time as revenues and the tax base resume responsibility for these expenses. The plan to fund both the Patrolmen’s and the Police Supervisor’s contracts, along with the Me-Too clauses, as follows:

CBA Funding Plan							
Year		FY25	FY26	FY27	FY28	FY29	
Budget Capacity From Operating Projections		\$(185,712.78)	\$ 63,028.37	\$ 203,281.51	\$ 253,916.19	\$ 552,430.22	
New Labor Costs		\$ 446,938.60	\$ 594,618.28	\$ 646,872.39	\$ 651,204.57	\$ 655,545.94	
Net Resources Needed		\$ 632,651.38	\$ 531,589.90	\$ 443,590.88	\$ 397,288.38	\$ 103,115.72	
Resources Available	As of 7/1/24						As of 7/1/29
CBA Trust	\$ 1,434,067.00				\$ 340,000.00	\$ 103,000.00	\$ 991,067.00
ARPA	\$ 1,070,000.00	\$ 633,000.00	\$ 437,000.00				\$ -
COVID-19	\$ 596,000.00		\$ 94,000.00	\$ 444,000.00	\$ 58,000.00		\$ -

RECOMMENDED ACTION BY COUNCIL & MOTION

Please see Resolution #2024-010.

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RESOLUTION

Number 2024-010

To Approve and Fund a Collective Bargaining Agreement with SEIU, Derry
Police Supervisors

WHEREAS, Section 5.1 of the Town Charter establishes the Town Council as the governing and legislative body of the Town, thereby empowering the Council to enter into contracts; and

WHEREAS, the Town Administrator, pursuant to Section 8.6 of the Charter, has proposed that the Town enter into a collective bargaining agreement with SEIU, Derry Police Supervisors for the period July 1, 2024 through June 30, 2029; and

WHEREAS, pursuant to RSA 273-A, the legislative body must make an appropriation to fund the cost items of a collective bargaining agreement; and

WHEREAS, the cost items of this collective bargaining agreement applicable to Fiscal Year 2025 shall be included in the FY25 budget, and the Council is aware of and acknowledges the future costs of the agreement, which the Town shall be obligated to fund;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the terms, conditions and costs of the "Collective Bargaining Agreement between the Town of Derry and SEIU Derry Police Supervisors for the Period July 1, 2024 through June 30, 2029" are hereby approved;

FURTHER, the Town Administrator is hereby directed to include the sum of One Hundred Forty Thousand, Nine Hundred Twenty-Six Dollars (\$140,926.00) in the FY 25 Budget to fund the FY25 costs of this Agreement.

This Resolution shall take effect immediately upon its passage.

Adopted: March 5, 2024.

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Cristina Guilford, Town Clerk

Date: _____