

ILLINOIS LABOR RELATIONS BOARD
BEFORE
BRIAN E. REYNOLDS
ARBITRATOR

**In the matter of the Interest Arbitration
between**

**COUNTY OF COOK and the
COOK COUNTY SHERIFF,**

Employer

and

**ILLINOIS FRATERNAL ORDER OF
POLICE LABOR COUNCIL**

Union

ILRB Case # L-MA-13-003

Hearing: April 20 and 21, 2015

Briefs: June 19, 2015

Award: August 18, 2015

OPINION AND AWARD

APPEARANCES:

For the Union:

Gary Bailey
IFOP Labor Council
5600 S. Wolf Road
Western Springs, IL 60558

For the Employer:

James P. Daley & James D. Thomas
Jackson Lewis P.C.
150 N. Michigan Ave., Suite 2500
Chicago, IL 60601

BACKGROUND

This is an interest arbitration under Section 14 of the Illinois Public Relations Act (Act) to resolve a dispute arising over the terms of the collective bargaining agreement (Agreement) between the County of Cook and the Cook County Sheriff (Employer or County and Sheriff, respectively) and the Illinois Fraternal Order of Police Labor Council (FOP or Union) for the bargaining unit of the Employer's court service deputies.

Cook County is an Illinois county located in northeast Illinois bordering Lake Michigan. It is the largest county in Illinois and the second largest county in the United States, with a population of approximately 5.2 million residents. The county seat is the City of Chicago, the third largest city in the United States.

The County and its elected officials employ approximately 23,700 employees within approximately 90 bargaining units. The Sheriff and the County jointly employ numerous employees in three divisions of the Sheriff's office:

- 1) *Department of Corrections*; to detain persons awaiting trial and persons convicted and sentenced to up to one year of incarceration;
- 2) *Police Department*; to preserve peace, suppress crime and enforce laws in the County; and
- 3) *Court Services Department*; to provide security in courtrooms, execute court orders, and apprehend defendants who fail to respond to court orders.

The largest units in each division, respectively are:

- 1) *Correctional Officers Unit* (DOC Unit); approximately 3300 sworn correctional officers (COs) represented by the Teamsters Local 700;
- 2) *Police Officers Unit* (PO Unit); approximately 400 sworn police officers (POs) represented by AFSCME Local 2264; and
- 3) *Court Services Deputies* (CSD Unit or Unit); approximately 1100 sworn deputies (DS) the Unit at issue in this proceeding.

There are two job classifications in the Unit, deputies known as D2 and D2B. D2s provide court security at the various courthouses and are approximately 80% of the Unit. D2Bs, often referred to as "street deputies," serve court orders, such as warrants, notice of evictions, tax levies, civil summons, complaints, and child support documents and supervise individuals participating in court-ordered community service projects. The D2Bs are more highly paid, earning 4% more than D2s.

The FOP is the current exclusive bargaining representative of the Unit employees. The Teamsters, Local 714 had been the exclusive bargaining representative of the Unit from prior to 1991 until, after an internal reorganization, it was succeeded by Teamsters Local 700 (Local 700) on December 20, 2010. Since 1991, the following is a history of the resolution of contracts for the CSD Unit:

<i>Dec. 1, 1991 to Nov. 30, 1994</i>	<i>By Agreement</i>
<i>Dec. 1, 1993 to Nov. 30, 1994 wage reopener</i>	<i>Arbitrator McAlpin (McAlpin Award)</i>
<i>Dec. 1, 1994 to Nov. 30, 1997</i>	<i>Arbitrator Goldstein (Goldstein Award)</i>
<i>Dec. 1, 1996 to Nov. 20, 1997 wage reopener</i>	<i>Arbitrator Berman (Berman Award)</i>
<i>Dec. 1, 1997 to Nov. 30, 2000</i>	<i>Arbitrator Benn (Benn Award)</i>
<i>Dec. 1, 2000 to Nov. 30, 2003</i>	<i>Arbitrator Meyers (Meyers Award)</i>
<i>Dec. 1, 2003 to Nov. 30, 2006</i>	<i>Arbitrator Hill, Jr. (Hill Award)</i>
<i>Dec. 1, 2006 to Nov. 30, 2010</i>	<i>By Agreement</i>
<i>Dec. 1, 2010 to Nov. 30, 2012</i>	<i>Arbitrator Perkovich (Perkovich Award)</i>
<i>Dec. 1, 2012 to Nov. 30, 2017</i>	<i>Contract at Issue</i>

Thus, the prior Agreement for the Unit commenced on December 1, 2010 and expired on November 30, 2012. Following a bargaining request filed on August 20, 2012, Local 700 bargained with the Employer for a successor agreement for the Unit. On August 22, 2012, Local 700 filed a Notice of No Agreement, Request for Mediation and a Demand for Compulsory Interest Arbitration with the Illinois Labor Relations Board (ILRB). The Employer and Local 700 did not reach agreement on a successor agreement. On April 30, 2014, the ILRB appointed the undersigned as interest arbitrator for this proceeding.

On August 29, 2014, following a representation election between the FOP and Local 700, the ILRB certified the FOP as the bargaining representative of the Unit. On September 5, 2014, the FOP filed a demand to bargain with the Employer.

The FOP and Employer negotiated over the terms of a successor Agreement, reaching tentative agreement to many items which they stipulated are to be incorporated into this Award. The current interest arbitration is the result of a bargaining impasse over

contract provisions involving two issues: Wages and Employee Contributions for Healthcare.¹

The parties agreed to continue the selection of the undersigned to serve as the neutral arbitrator for the interest arbitration through the procedures administered by the Illinois Labor Relations Board (ILRB).² The parties waived the requirement of a tri-partite panel and stipulated that the proceeding would be governed by the provisions of the Act. A hearing was held on April 20 and 21, 2015 at the Union's offices at which time the parties were afforded an opportunity to present testimony, exhibits, and other evidence relevant to the dispute. The parties timely filed briefs by June 19, 2015.

ISSUES AND FINAL OFFERS

The parties submitted the following issues and final offers:

WAGES

Retroactive across-the-board increases on each step of the existing salary plan to be effective following the first full pay period following the dates below:

<i>Date:</i>	<i>Union Final Offer:</i>	<i>Employer Final Offer:</i>
12/1/12:	1.0%	-
06/1/13:	1.0%	1.0%
12/1/13:	1.25%	-
06/1/14	1.0%	1.5%
12/1/14	1.25%	-
06/1/15	1.0%	2.0%
12/1/15	1.5%	2.0%
06/1/16	1.25%	-
12/1/16	1.5%	2.25%
06/1/17	1.25%	2.0%

¹ The parties had initially presented offers on the issue of health insurance plan design, but reached agreement on the issue prior to the hearing. Their agreement on that issue will be incorporated into this Award along with the agreement on other issues.

² The FOP filed with the ILRB its Notice of No Agreement on October 6, 2014, and a Mediation Request on October 30, 2014.

HEALTH INSURANCE; EMPLOYEE CONTRIBUTION

The proposals are to increase the employee contributions to health insurance by the following percentage increases as a percent of salary:

<i>Date:</i>	<i>Union Final Offer:</i>	<i>Employer Final Offer:</i>
12/1/15	.5%	.5%
12/1/16	.25%	.5%

STATUTORY FACTORS

Section 14(h) of the Act sets forth the following factors upon which the Arbitrator is to base his findings, opinions and order:

Where there is no agreement between the parties, or where there is an agreement, but the parties have begun negotiations for a new agreement or amendment of the existing agreement, and wage rates other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinion and order upon the following factors, as applicable:

- (1) The lawful authority of the Employer;
- (2) Stipulations of the parties;
- (3) The interest and welfare of the public and the financial ability of the unit of government to meet those costs;
- (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (a) in public employment in comparable communities;
 - (b) in private employment in comparable communities.
- (5) The average consumer prices for goods and, commonly known as the cost of living;
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the

continuity and stability of employment and all other benefits received;

- (7) Changes in the foregoing circumstances during the pendency of the arbitration proceedings;
- (8) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or private employment.

Section 14(g) of the Act sets forth the standard for selection of offers made by the parties:

...As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in subsection (h). The findings, opinions and order as to all other issues shall be based on the applicable factors presented in subsection (h).

In this case, the issues of Wages and Health Insurance Employee Contributions are economic and, thus, I am restricted to adopting a final offer from one of the parties.

POSITION OF THE PARTIES

Union Position

Wages

While the Deputy Sheriffs have a long history of resolving their contracts through interest arbitration, this is because of the issue of wages. The wage dispute is over the internal comparability of the Deputy Sheriffs to the salaries of the COs and POs.

The Union is requesting wage increases that draw the deputies closer to the salaries of the POs and COs, a position consistent with the findings of five previous arbitrators.

For the 12/1/93 through 12/30/94 fiscal year, with the DSs earning 23% less than the COs, Arbitrator McAlpin accepted the Employer's proposal, finding that only some unit members had duties comparable to COs and none to the POs.

For 12/1/94 to 11/30/97, Arbitrator Goldstein found, in contrast to McAlpin, that many of the DS did similar or the same work as some POs. Goldstein found that, as compared to the POs and COs:

... a proven need for "catch up" also exists on this record as regards the current wage (sic) wages for the DSIs in the bargaining unit.
...the placement of the DSIs (sic) at the bottom of the pile when compared to external and internal peers constitutes a proven need for some "catch up" under the statutory criteria, and the majority of the Board accept that critical determination.

Arbitrator Goldstein explicitly rejected the County's attempt to prevent salary comparisons between the Deputy Sheriffs and the Correctional Officers and Police Officers:

...the majority of the Board has concluded, and the record clearly shows that the argument employed by Management to differentiate DSIs and Sheriff's Police and determine their pay through the distinction of "police officer" and "law enforcement officer/DSIs" is basically illogical or perhaps arbitrary. The similarity in training, risk and stress in the job assignments of the employee groups, as is fully developed on this record, should require a finding that the Union's claim of some comparability for DSIs and Sheriff's police is fair and appropriate, if absolute parity is not what is at issue...

For 12/1/96 to 11/30/97, Arbitrator Berman, in ruling on the 3rd year reopener for the Goldstein award, reaffirmed Goldstein's findings on comparability, finding there was still the need for POs to 'catch-up to reduce the salary disparity.

For 12/1/97 through 11/30/00, Arbitrator Benn, in awarding the Union's wage proposal, rejected the Employer's attempt to create a new higher paid D2B position for "street work" similar to PO duties, specifically citing the Goldstein and Berman awards

finding of the comparable duties of deputies to police officers. After the Award, the parties agreed to create the D2B position and pay it 4% more than D2s.

For 12/1/00 through 11/30/03, in awarding the union's wage final offer, Arbitrator Peter Meyers found that despite the larger wage increases awarded the Deputy Sheriffs, the wage gap had not diminished. Arbitrator Meyers affirmatively noted that the D2 pay grade classification(not D2B) was still the reference point for salary comparisons:

The wage data relating to Deputy Sheriffs, Corrections Officers, and Sheriff's Police shows that although there has been some slight narrowing of the wage gap, the Deputy Sheriff's salaries continue to lag behind that of the other two employee groups. The gap is particularly striking for those Deputies in the D2, as opposed to D2B, classification. ... It also is necessary to consider the "dollar-to-dollar" increase in each group's wages. The reason for this is obvious. If all three groups receive the same percentage increase, the group with the lowest starting salary actually receives a smaller total dollar increase than do the other two groups.

For 12/1/03 through 11/30/06, Arbitrator Marvin Hill rejected the Employer's contention that accepting the Union's proposal would upset the traditional wage hierarchy, with D2Bs eclipsing and D2s nearly eclipsing the CO wages, stating that:

All in all, the evidence record supports the Union's argument that its proposal is a measured step in its continued efforts to narrow the pay gap between the Deputies and Sheriff's Police, found by Mr. Goldstein to be a critical internal comparable.

For 12/1/06 through 11/30/10 the parties agreed on four years of wage increases between 3 and 4.75%.

For 12/1/10 through 11/30/12, Arbitrator Perkovich awarded the Employer's proposal in order to keep with the internal comparables. However, Perkovich failed to mention the findings of previous interest arbitrators for the need to play "catch-up" in total salaries, not just salary increases. Perkovich ignored the fact that, because the DS had received larger increases than COs from 12/1/08 through 11/30/10, DS salaries had drawn even to and surpassed the CO salaries at some pay steps. Thus, while Perkovich thought

he was maintaining an internal wage equality, as a result of his award, the DS salaries again went abruptly and distinctly behind the COs. The extra 4% increases COs received from 12/1/10 through 11/30/12 recreated the wage gap Arbitrators Goldstein, Berman, Benn, Meyers and Hill had condemned as unfair and illogical.

The additional 1.25% increase the Union is seeking over the Employer's offer deviates from the "wage pattern" established by the Employer in order to bring the DS salaries back near the salaries of the COs. The Union's offer will not regain the advantage over COs it had in 09-10, but will get the DSs closer to both the COs and POs as reflected in the arbitrators rulings.

The Employer's proposal seeks to maintain the salary disparity between the DS, CO and PO positions condemned by the five arbitrators. As Arbitrator Meyers pointed out:

If all three groups receive the same percentage increase, the group with the lowest starting salary actually receives a smaller total dollar increase than do the other two groups.

While the Union's offer does allow the DS a temporary one-year wage advantage over the COs, the gap is eliminated in the last year of the new contract. Thus the factors of comparability and bargaining history support the Union's final offer.

The cost-of-living, on average of the CPI-U and CPI-W indices, for the two years of the contract from 12/1/12 through 12/1/13 shows a 1.475% increase and a .54% increase for 12/1/13 through 12/1/14. The Union's offer would provide the Union members with a 9.25% increase in actual dollars, while the Employer's would only be 7.56% increase in actual dollars. Using the actual US City average along with the Federal Reserve of Philadelphia estimates result in a 7.515% increase in CPI during the contract term. Added with the increase in insurance contributions under the Employer and Union offers and the Unit members have a 9.005% or 9.255% increase in cost of living expenses. The Union's

proposal of a 9.25% increase in actual dollars is clearly closer to the cost of living increase than the Employer's proposal of only a 7.5% increase in actual dollars, which is less than the cost of living without the insurance contribution increase.

The Union's proposal is more appropriate considering the statutory factors of the ability to pay and interest and welfare of the public. The desire for fiscal prudence is not the inability to pay and is not a factor in interest arbitration and the Employer's arguments for such do not carry the weight of the statutory factors. The interests and welfare of the public are served with competitive wage increases. This factor favors the Union's offer but has little impact upon the Arbitrator's award.

Health Insurance

The issue before the arbitrator is whether the employee premium contribution increases by 3/4 percent or 1% during the contract term. The dollar amount of the increase is difficult to determine because the DS choose between 4 HMO and 4 PPO plans.

So, for those DS choosing PPO Employee + Family Coverage and assuming the Union's final wage offer, the comparison below shows the difference between the final offers in the annual health insurance premium contribution (in the last year of the new contract):

Effective 12/16 - 11/17	Step 1	Step 2	Step 3	Step 4	Step 5	After 5	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs
Deputy 02	\$53,644	\$56,304	\$58,919	\$61,807	\$64,937	\$67,988	\$70,700	\$73,560	\$76,467	\$79,508
Union Offer	\$1,609	\$1,689	\$1,768	\$1,854	\$1,948	\$ 2,040	\$2,121	\$2,207	\$2,294	\$2,385
Employer Offer	\$1,743	\$1,830	\$1,915	\$2,009	\$2,110	\$2,210	\$2,298	\$2,391	\$2,485	\$2,584
Difference	\$134	\$141	\$147	\$155	\$162	\$170	\$177	\$184	\$191	\$199

The difference in the proposals range between \$10 and \$16 a month. The Union has already agreed to the following increases in the HMO and PPO plans, effective December 1, 2015:

HMO Accident/Urgent Visit:	from \$10 to \$15
HMO Specialist Visit:	from \$10 to \$20
HMO (and PPO) ER Visit:	from \$40 to \$75
HMO (and PPO) Prescription Drug:	from \$7/\$15/\$25 to \$10/\$25/\$40
PPO Deductible IN NETWORK	
	from \$125 to \$350 single;
	from \$250 to \$700 family
PPO Deductible OUT NETWORK	
	from \$250 to \$ 700 single
	from, \$500 to \$ 1400 family
PPO Out of Pocket Max IN NETWORK	
	from \$1,500 to \$1,600 single
	from \$3,000 to \$ 3,200 family
PPO Out of Pocket Max OUT NETWORK	
	from \$3,000 to \$ 3,200 single
	from \$6,000 to \$ 6,400 family
PPO Specialist Visit	
	from 90% after \$25 to 90% <i>after</i> \$35

By reaching agreement to pay these additional medical costs, the bargaining unit members agreed to a reduction in insurance coverage and more financial responsibility for medical charges. The Union's refusal to accept the Employer's final offer on increasing health insurance premiums is not indicative of a refusal to accept responsibility to pay more for medical costs, but rather a beleaguered response to paying MORE for LESS coverage.

The Employer asserts that other Units agreed to its proposal and that all employees shall pay the same rate. However, the Employer's "me too" clauses for other units, unlike the one for the DS Unit, does not apply to arbitrated rather than negotiated health insurance terms. Thus, if the Arbitrator awards the Union's offer, it would not apply to other units and the cost would be far lower than the Employer's alleged \$7.55 million, which was based on a county-wide implementation of the Union's offer.

The comparables, cost-of-living and traditional factors support the Union's final offer on health insurance.

Employer Position

Wages

The Employers proposal is the most reasonable since:

- 1) *it increases wages in excess of inflation;*
- 2) *it provides more cash than inflation;*
- 3) *the additional step increases put the DS far ahead of inflation;*
- 4) *the internal comparables favor the Employer;*
- 5) *the bargaining history and Perkovich's award establish that the deputies no longer are entitled to increases larger than the comparables; and*
- 6) *the Employer's financial condition weighs against the Union's offer.*

The bedrock principle is that the interest arbitrator is to put the parties in the position they would be if negotiation did not break down. The Employer has not deviated from the across the board wage increases offered here and the largest units have agreed to them. The Union has not offered a good reason to depart from the pattern set by the largest law enforcement group, the COs.

The parties agree on the available CPI actual and projected figures for the contract term. The figures for the first 2 years is a 2.27% under the national CPI-U and 1.77% for the National CPI-W. The forecast for 2015, 2016 and 2017 indicate a 1.1%, 2.1% and 2.3% respectively, with a post-hearing change from 1.1% to .7% in the forecast for 2015. Both offer exceed the compounded or un-compounded CPI figures. The Employer's offer is 40% higher than the actual and projected CPI increases and equals or exceeds it in every year but the first.

The FOP has argued that the Unit only receives half the money of the increases that occur in the middle of the year, so it claims the Employer's final offer puts less money into the member's pocket than inflation takes away. The Union's method of calculation fails to recognize that the mid-year raise from the previous year is carried over into the first

year. To get an accurate picture, one must look at the actual wages paid over the five year term. In comparing the total wages paid to the 8th step Unit employee over the 5 year period, without considering step movement, under 4 scenarios, based on the inflation rate given on 12/1, the FOP and the Employer's offer, shows the following:

	Total Increased Cash over Term
CPI (Q2 Forecast)	\$12,716
CPI (Q1 Forecast)	\$13,535
Jt. Employers	\$14,756
FOP	\$21,143

Under these calculations, the Employer's proposal puts 9%, and 15% if the 2nd Quarter Survey numbers are used, more cash into the Unit members' pockets than the actual and projected inflation. If you add in the one step advance on the pay plan than over 90% of the Unit members will incur, the Unit members will get a 14.87% increase in compensation.

The Employer disagrees with the FOP's argument that increased healthcare costs should be offset by wage increases. If that happens, then the Employer is getting no concession for its increased healthcare costs. The Employer should not need to buy healthcare changes. Also, some of the healthcare plan changes agreed to should save both the Employer and Unit members money. Additionally, since no changes were made to health insurance for the first 3 years of the contract, the Unit members have already received a benefit other employees did not receive. However, even accepting the Union's argument to offset insurance increases from the wage proposals, the Employer's wage proposal still exceeds the CPI by more than the 1.74% of increased healthcare design costs and the 1% of increased contributions.

Thus, the cost of living and overall compensation paid to Unit employees dictate that the Employer's wage proposal be accepted.

The FOP has admitted that external comparables are not appropriate, so the internal comparability is the important statutory comparability factor. The internal comparability factors favor the Employer's wage offer. The largest protective service unit, the CO Unit, one of the two comparable units historically recognized by both parties, has already agreed to the exact wage increase offered by the Employer here. The Employer has not offered more favorable wage proposals to any other bargaining unit.

The FOP attempts to avoid the strong internal comparability by arguing that the DS are entitled to a "catch-up" payment. However, the arbitral authority for such a payment no longer exists. In the most recent interest arbitration, Arbitrator Perkovich stated that the deputies "and other law enforcement bargaining units have been 'eventually placed... in the appropriate wage relationship' to one another that the parties seem to acknowledge when they agreed in the last bargaining agreement to wage increases in the first two years that mirrored other law enforcement units." at p.4 A catch-up payment would upset the well-recognized hierarchy within the Sheriff's Office and be contrary to the parties' bargaining history.

There is a clear set of comparables from the various interest arbitration history: the COs and POs. Arbitrator Perkovich recognized that the POs have made more than COs who have made more than DSs. The Union should not be able to cherry pick the elements of the CO Unit agreement it likes, such as increased uniform allowance, and disregarding the quid pro quo for those terms.

The County has reached agreement on the terms offered here with Teamsters Local 700 for the Public Safety Officer IIs and investigator IIs, the Circuit Clerk and County Clerk units, and with SEIU Local 73 for 3200 unsworn County employees, including in the Sheriff's office. County non-union employees will at best receive the same increases as the bargained-for employees without retroactive pay for FY 2012 and 2014.

The five Units suggested by the Union as comparables are much smaller than the units here, and combine for a total of fewer than 200 employees. As of this time, none have reached settlements that could be used for comparison purposes.

The FOP's contention that the history of the DS Unit dictates that they are entitled to a higher wage increase than COs and POs is wrong. In McAlpin's 1994 award, he rejected the idea of parity of the DS with the CO and PO units. finding that while an equity adjustment was justified, parity with the CO unit would be inappropriate.

In his 1995 award, Goldstein only found that some comparability exists between DS and POs, especially when POs performed court security or civil process work. The FOP citations to Goldstein only refer to his findings in answer to the Employer's argument to restrict comparison to court security groups without police powers.

In his 1997 award, Berman, and in his 1999 award, Benn, both only found that some catch up was still appropriate, not that parity is needed. In 2001, Meyers, noted that the four previous arbitrators found that the DS should be brought closer, "although not necessarily equal to," the COs and POs. He found that the wage gap should be narrowed but "not necessarily be eliminated."

In 2004, Hill detailed the history and found that the DS deserved higher increases than other units, but only found that "the positions are not equivalent but are sufficiently comparable to the extent that the "salary gap" is still 'in play' and relevant..."

The Employer and unions agreed to the same increases for FY 2007 and 2008 for the COs DSs and POs. The DS unit received 3% increases in 2009 and 2010, increases negotiated prior to the Great Recession. The COS and POs both received 8.5% increases in interest arbitration for 2008 through 2012.

In the interest arbitration for the 2010 through 2012 term, Arbitrator Perkovich granted the Employer's request for 0% and 2.5%. Contrary to the FOP's assertion that he was unaware of the prior interest arbitration awards, Perkovich specifically referred to the wage findings in all 5 awards. Arbitrator Perkovich award merely found that the catch-up talked about had been accomplished. His award restored the parties to the relative positions they had bargained for in 2007 and 2008, stating that :

... the bargaining unit herein and other law enforcement bargaining units have been 'eventually placed ... in the appropriate wage relationship' to one another that the parties seemed to acknowledge when they agreed in the last bargaining agreement to wage increases in the first two years that mirrored those awarded to other law enforcement bargaining units.

While the FOP argued at hearing that the wage history shows that the DS should be making at least what the COs are making, if not what the POs are making, this is contradicted by the history. No arbitrator said the DS should make the same as COs or the POs. Instead they have specifically said they were not finding that the deputies were entitled to the same salaries as COs and POs. In fact, the D2B position do and will make more that COs under the Employer's offer. The D2B position also make the same or more than most of the Sheriff's investigatory units.

Internal comparability conclusively supports the Employer's wage offer. The Union provided no reason to deviate from Arbitrator Perkovich's decision and the Union should not be able to use interest arbitration to obtain what it could not obtain at the table.

While the Employer is not making an inability to pay defense, the arbitrator should still consider its financial condition when evaluating the offers. The Employer's offer puts the DS ahead of inflation and its health insurance offer puts it in the lowest tier of area public sector entities. If applied county-wide, the FOPs final offer would cost the County \$146 million more than the Employer's offer.

Health Insurance Contributions

The Employer's offer seeks an increase of .5% of salary on December 1, 2015 and again on December 1, 2016. The Union's offer is for .5% in 2015 and .25% in 2016. The Union at hearing stated it was willing to agree to give a 1.75% increase in overall health insurance, both in employee contributions and plan design, but not 2%. However, the Employer's healthcare expert testified at hearing that the value of the plan design changes agreed to by the Union is .75% of salary, not 1% as originally sought by the Employer. Thus, the Employer's proposal is exactly what the parties would have achieved in bargaining and should be accepted.

The Employer's proposal is also more reasonable considering the statutory factors. It is well-established that internal comparability is the most important, if not dispositive, factor in analyzing healthcare factors. The pattern of settlements with other County units is a highly compelling factor. The FOP has not offered a good reason why it should get all the benefits of other units along with more favorable healthcare contributions.

Currently, Unit employees contribute only 5.4% of healthcare costs. The Employer has not increased the contribution amount since 2008, and is not increasing the contribution level in the first 3 contract years. The County's annual per employee cost for healthcare has increased from \$12,003 in 2009 to \$14,526 in 2014. Of the 35.1 million healthcare cost increase in this period, the Employer paid \$33.4 million and employees only \$1.8 million.

The FOP is correct that the employees pay more in healthcare contributions when they get raises. However, by paying this percentage, employees bear none of the risk of increased healthcare costs. In light of the rate of healthcare cost inflation, employee wage increases are virtually certain not to outpace the increases in healthcare costs. The County bears the entire risk of healthcare cost increases and only gets more in employee contributions by giving raises. It only gets a few cents from every dollar of wage increases back as healthcare contributions.

Additionally, County employees in both the HMO and PPO plans receive more generous benefits than their counterparts employed by the State of Illinois, Chicago Public Schools, Chicago Transit Authority, the City of Chicago, DuPage County, McHenry County, and Winnebago County but pay demonstrably less for those benefits. Even after the increases offered by the Joint Employers, the deputies still would pay a lower percentage of their overall healthcare plan cost than their counterparts in virtually every other major public sector entity in the area.

During the hearing, the Union argued that its Unit members should contribute less to the cost of healthcare and should be treated differently than the other groups that agreed to the Joint Employers' healthcare plan was that the FOP did not get all it wanted

in wage increases. The Employers think it is inappropriate to require them to “buy” healthcare changes that both parties agree should be made. The Employers established that the deputies will come out ahead of inflation – both in terms of total wage increase and increased cash over the term of the Agreement – even if the increased healthcare contributions sought by the Employers are offset from the across-the-board wage increases offered by the Employers. The Employers' final offers on wages and healthcare contributions put the deputies materially ahead of inflation. The Union might wish for further economic gain, but such a demand is not appropriate in a process as conservative as interest arbitration.

The Union has not overcome the well-established presumption in interest arbitration of internal comparability and uniformity with respect to healthcare benefits. The Union has offered no reason for the Arbitrator to conclude that the Unit members should be permitted to accept the healthcare benefits agreed to by the largest sworn and largest overall bargaining unit within County government but demand more in wages and less in healthcare contributions. The Union said it was willing to give the Joint Employers' 1.75 percent of salary in healthcare plan design changes and increased employee contributions. The Joint Employers' final offer does just that.

DISCUSSION AND ANALYSIS

WAGES

The parties have generally agreed on the statutory factors that should be considered in evaluating the wage proposals. They just disagree on which wage proposal the factors favor.

Cost-of-Living

The Bureau of Labor Statistics of the U.S. Department of Labor (BLS) tracks the Consumer Price Index among "All Urban Consumers, known and the CPI-U Index. It also tracks the CPI among Urban Wage Earners, known as the CPI-W Index. The BLS provides these indices throughout various areas of the country. Thus, there are various CPI-U and CPI-W indices that an arbitrator can choose from.

The Employer and the Union agree on how to calculate the relevant CPI to use. There is actual data for the first two years of the contract term, from December 1, 2012 through November 30, 2014. Both parties utilize the average of the CPI-U US city Average and CPI-W US City Average for this period.

Time Period	CPI-U	CPI-W	CPI Average
12/1/12 - 11/30/13	1.50%	1.45%	1.475%
12/1/12 - 11/30/14	.76%	.32%	.54%

Both parties also agree to utilize the Survey of Professional Forecasters with the Federal Reserve Bank of Philadelphia (Survey) to determine the forecasted CPI for the last 3 years of the proposed contract. At hearing, the parties used the Survey's First Quarter 2015 Report. In its brief, the Employer added the Survey results for the Second Quarter 2015 results which kept the same forecasts for 2016 and 2017, but reduced the projection for 2015 from 1.1% to .75%. The Employer points out that Section 14(h)(7) of the Act permits the Arbitrator to consider "changes in any of the foregoing circumstances during the pendency of the arbitration proceedings. The following is a table comparing the wage offers under either of the Survey's 2 forecasts, and utilizing the CPI-U, the highest of the three CPI indices used by the parties:

Wage Offers Compared to CPI-U

Date	CPI (Q1 Survey)	CPI (Q2 Survey)	Employer	FOP
12/1/2012	1.50%	1.50%		1.00%
6/1/2013			1.00%	1.00%
12/1/2013	0.76%	0.76%		1.25%
6/1/2014			1.50%	1.00%
12/1/2014	1.10%	0.70%		1.25%
6/1/2015			2.00%	1.00%
12/1/2015	2.10%	2.10%	2.00%	1.50%
6/1/2016				1.25%
12/1/2016	2.30%	2.30%	2.25%	1.50%
6/1/2017			2.00%	1.25%
Total (Uncompounded)	7.76%	7.36%	10.75%	12.00%
Total (Compounded)	8.00%	7.57%	11.24%	12.67%

It is clear that the salary level of the Unit employees will be higher than the inflation rate under even of the proposals, even when considering the inflation at the highest CPI forecast, the First Quarter 2015 Survey, and the highest of the actual CPI indices for the first 2 years, the National CPI-U. The Employer provided the following chart to indicate what the salary levels of a D2 employee on the 8th step of the pay plan, the most common step of the pay plan:

Final Salary for Eighth Step of D2 Pay Plan

	Final Salary Annualized
8th Step D2 (November 30, 2012)	\$65,290
CPI (Q2 Forecast)	\$70,231
CPI (Q1 Forecast)	\$70,510
Employers	\$72,627
FOP	\$73,560

The above chart indicates that the Unit employees will have their salary level increase by approximately \$2000 above what it would be under the CPI indices, under the

Employer's offer and approximately \$3000 under the Union's offer. The Employer's offer is more appropriate in ensuring the Unit employee's wage level is closer to the CPI increase.

The Union, however, asserts that the offers should also be evaluated on how much in actual dollars the wage increases will grant Unit members as compared to the CPI. The Union asserts that while the percentage increases keep the salaries above CPIs, some of the increases come on midyear, on June 1st, rather than December 1st.

The Union calculates the actual dollar increases by counting half of the mid-year increases as shown on the following chart:

Date:	Union Offer:		Employer Offer	
	Increase	Dollars	Increase	Dollars
12/1/12:	1.0%		-	
06/1/13:	1.0%	1.0%	1.0%	.50
12/1/13:	1.25%		-	
06/1/14	1.0%	1.75%	1.5%	.75%
12/1/14	1.25%		-	
06/1/15	1.0%	1.75%	2.0%	1.00%
12/1/15	1.5%		2.0%	2.00%
06/1/16	1.25%	2.12%	-	
12/1/16	1.5%		2.2%	2.00%
06/1/17	1.25%	2.12%	2.0%	3.25%
TOTAL		9.25% dollars		7.50% dollars

The Union also asserts that the percentage increase in healthcare costs the Unit members will incur should be added to their expected increase in cost of living. This increase will be .74% for the insurance plan increases and .75% under the Union's offer and 1.00% under the Employer's offer. The Unit members adjusted cost of living would be 9.005% under the union's offer and 9.255% under the Employer's offer. Under these calculations, the Union's offer of a 9.25% increase in dollars is closer to the members' actual cost of living increase.

The Employer asserts that the Union's calculations of actual dollar increases is overly simplistic and fails to considers the carry-over of the mid-year raise. It calculates the actual dollar increases under the offers by comparing the actual wages a Unit member earns each year.³

I find that the employer's methodology for calculating actual dollar increase to be more appropriate. While I have used the Union's methodology in previous interest arbitrations, it appears to under calculate the change in actual dollar increases because it compares the subsequent year's increase to the salary level existing at the end of the previous year which is higher than the actual salary earned during that year if there is a mid-year increase. Using the Employer's methodology, with increases for the CPI given on the beginning of each year, the comparison of the actual dollar increases seen by the Unit members each year under the proposals is as follows:

<i>Date:</i>	<i>CPI Q1 Increase</i>	<i>CPI Q2: Increase</i>	<i>Union Offer Increase</i>	<i>Employer Offer Increase</i>
12/1/12:	33,134.68	33,134.68	32,971.45	32,645.00
06/1/13:	33,134.68	33,134.68	33,301.16	32,971.45
12/1/13:	33,386.50	33,386.50	33,717.43	32,971.45
06/1/14:	33,386.50	33,386.50	34,054.60	33,466.02
12/1/14:	33,753.75	33,620.20	34,480.29	33,466.02
06/1/15:	33,753.75	33,626.23	34,825.09	34,135.34
12/1/15:	34,462.58	34,326.23	35,347.47	34,818.46
06/1/16:	34,462.58	34,326.23	35,789.31	34,818.46
12/1/16:	35,255.22	35,115.73	35,326.15	35,601.46
06/1/17:	35,255.22	35,115.73	36,780.22	36,313.48
TOTAL	339,985	339,166	347,593	341,206

The Employer also asserts that 90% of the Unit employees will receive step increases during the contract term which means the average Unit member will see a 14.87% increase in compensation. I don't find it appropriate to consider longevity

³ the Employer again uses an employee on the eighth step in its calculation. I will also utilize that step as it is the most common step on the plan. There are 10 steps in the plan, the eighth being an employee with 15-20 years experience.

increases when determining whether proposed wage levels keep pace with inflation. Longevity increases compensate for experience rather than cost of living.

The Employer opposes the use of increased healthcare costs in calculating cost of living. I agree with its argument that any plan design cost increases are too speculative to be considered. While the Employer also believes the increase in employee contributions should also not be considered, it also offered calculations, choosing to decrease the increased cash for the Employer's offer rather than increasing the cost of living percentage. The following is the chart of the increase of dollars for Unit members under the various scenarios:

Comparison of Total Increased Cash

	Total Increased Cash over Term
CPI (Q2 Forecast)	\$12,716
CPI (Q1 Forecast)	\$13,535
Employers (less increased contributions)	\$13,689
Employers	\$14,756
FOP	\$21,143 ⁴

The increased cash amounts under the Employer's offer are sufficient to compensate Unit members for cost of living increases, and are closer to the cost of living than the Union's offer. I find it unnecessary to determine the appropriateness of including any anticipated increase in health insurance costs into the calculation of cost of living since, if I were to include it, the Employer's wage proposal would still be closer to the actual and expected cost of living, even using the highest actual and forecasted figures.

⁴ Including health insurance cost increases would reduce the Union's offer from \$21,143 to approximately \$20,239 in total increased cash.

In evaluating the proposals on the cost of living factors, including the wage levels and the actual dollars earned during the contract term, the Employer's proposal is more appropriate.

Internal Comparables

Both parties agreed that the internal comparables are more appropriate than external comparables, and no evidence was presented on the external comparables. Both parties presented evidence and arguments concerning the wages of other County employees.

Traditionally, the DS Unit has been compared with the two other largest units of Employer, the Police Officer Unit and the Correctional Officer Unit. There are also smaller units of similar Sheriff's office employees, including the Electronic Monitoring Unit, Fugitive Investigators, Day Reporting Unit, and OPR Investigators. There is also the State's Attorney's investigators. However, unlike the CO and PO units, these smaller units have not traditionally been used as comparisons. Also, none of these smaller units have reached agreements for the contract term.

The Employer's wage proposal is the exact proposal that was accepted by the Correctional Officer Unit, the only law enforcement unit to reach agreement. The PO unit agreement has not yet been resolved. While the most relevant comparables are with other protective services units, I note that the Employer has reached the same wage settlements with the largest unit, represented by SEIU Local 73. the Employer has not reached agreement with any unit for a better wage increase than it is proposing in this case.

Thus, based on this evidence, the Employer's offer is more appropriate considering the internal comparables.

Catch Up Factor

The Union, however, claims that the previous interest arbitration awards establish a bargaining history that the DS Unit needs to receive larger increases than POs and COs in order to "catch up." I will look at the wage proposals in view of the alleged need to catch up to the CO and PO Units.

As laid out in the beginning of this Award, the resolution of contracts have often been a result of interest arbitration awards. Since 1991, the following is a history of the resolution of contracts for the CSD Unit:

<i>Dec. 1, 1991 to Nov. 30, 1994</i>	<i>By Agreement</i>
<i>Dec. 1, 1993 to Nov. 30, 1994 wage reopener</i>	<i>Arbitrator McAlpin (McAlpin Award)</i>
<i>Dec. 1, 1994 to Nov. 30, 1997</i>	<i>Arbitrator Goldstein (Goldstein Award)</i>
<i>Dec. 1, 1996 to Nov. 20, 1997 wage reopener</i>	<i>Arbitrator Berman (Berman Award)</i>
<i>Dec. 1, 1997 to Nov. 30, 2000</i>	<i>Arbitrator Benn (Benn Award)</i>
<i>Dec. 1, 2000 to Nov. 30, 2003</i>	<i>Arbitrator Meyers (Meyers Award)</i>
<i>Dec. 1, 2003 to Nov. 30, 2006</i>	<i>Arbitrator Hill, Jr. (Hill Award)</i>
<i>Dec. 1, 2006 to Nov. 30, 2010</i>	<i>By Agreement</i>
<i>Dec. 1, 2010 to Nov. 30, 2012</i>	<i>Arbitrator Perkovich (Perkovich Award)</i>
<i>Dec. 1, 2012 to Nov. 30, 2017</i>	<i>Contract at Issue</i>

The Union alleges that these awards support the argument that there is still a need for the DS employees to play catch up. The Employer asserts that the last award, the Perkovich award, set the wage levels of these 3 employee groups in the right perspective, finding that there was no longer a need for the DS to catch up. I will briefly review these previous awards.

The McAlpin Award adopted the Employer's proposal rather than the Union's, but it contained a 3% equity adjustment, so it was still higher than other employees. McAlpin did state that:

The Panel, however, finds that there was no showing that members of this bargaining unit are substantially comparable to the sheriff's police in terms of training, responsibilities,

personal risk, etc. The Union has succeeded in showing in this record that only some members of this bargaining unit can be found to be comparable to the levels of responsibility and hazards associated with the correctional officer category.

McAlpin also found that the DS employees lagged behind the external comparables and thought there was a need to catch up with the externals,

It was the Goldstein Award that fully endorsed the implementation of catch up wages for DS employees. After hearing eight days of testimony and evidence, Goldstein found the need for the DS employees to catch up. Goldstein found that the DS employees should be compared to POs and COs:

Duties such as that performed by the Sheriff's police, although not identical, will also be included, because the historical pairings of correctional officers, police and deputies working as DSIIIs, have proven to exist on a percentage of increase basis. No real question as to internal comparability concerning the issue of whether parity exists between the deputies and Sheriff's police. It does not, as a matter of total salary or compensation, obviously. Despite the fact [sic] that salary parity does not exist, the use of both police and correctional officers in the analysis of patterns of pay or relationship among the group of law enforcement working for the Sheriff is confirmed by the practices of the parties themselves, the neutral finds.

the majority of the Board has concluded, and the record clearly shows that the argument employed by Management to differentiate DSIIIs and Sheriff's Police and determine their pay through the distinction of "police officer" and "law enforcement officer/DSIIIs" is basically illogical or perhaps arbitrary. The similarity in training, risk and stress in the job assignments of the employee groups, as is fully developed on this record, should require a finding that the Union's claim of some comparability for DSIIIs and Sheriff's police is fair and appropriate, if absolute parity is not what is at issue...⁵

Goldstein found the need for the DS salaries to catch up, both to the internal POs and to the external comparables. Goldstein awarded the Union's offer as a catch up in the second contract year, but also awarded the Employer's offer in the first year and a reopener in the third. He did not find that parity was appropriate.

For the third year reopener, Arbitrator Berman basically followed the Goldstein findings, quoting his finding that "the bargaining unit members involved in this dispute are

⁵ Goldstein Award at pp.22-23 and 33.

paid considerably less than their external peers."⁶ He especially found a need to catch up at the minimums and maximums and, thus, awarded the Union's proposal.

In his Award, Arbitrator Benn found a continued need for catch up wage increases. Benn looked at the external comparables, both in-state and out-of state, but also at the comparison to the PO wages, in finding for the Union's wage increase. Benn believed the Employer's offer would only increase the disparity between DS and POs.

Arbitrator Meyers also awarded the Union's proposal, finding that a catch up raise was still appropriate. Meyers also referred to the external comparables as support for the catch up increases. The Employer rejected the Meyers Award, and in the supplemental proceeding Meyers reaffirmed his wage finding. Prior to the Meyers Award, the Employer had, with Union agreement, created the D2B position, the street deputies, which was paid 4% more than D2s.

In his supplemental decision, Meyers especially addressed the DS employees relation to both the PO and CO positions. The Employer had presented evidence that DS positions were promoted into CO positions, and then from CO positions into PO positions. The Employer's expert witness stated that such feeder positions should be within 5% to 12% of the fed-into position.

In adopting the Union's higher proposal, Meyers found that the D2s would be earning approximately 92% of the CO salaries, within the 5%-12% range of feeder positions. Meyers did not find that the DS positions were feeders into the CO position, but used the Employer's evidence to support the reasonableness of the Union's wage proposal. Meyers stated that, by comparison, the Employer's wage increase could possibly keep the D2s outside of the 12% range of the CO salaries.

⁶ Berman Award, at p.17.

In his award, Arbitrator Hill continued finding a need for catch up raises. He noted that the pay gap between DS and POs had been reduced from 43% to 26% between 1997 and 2002 and did not want the wage gap in actual dollars to increase.⁷ He thus awarded the Union's proposal.

The adoption of catch up raise proposals stopped with the Perkovich Award. In between, the parties had agreed to several years of wage increases. In his award, Arbitrator Perkovich adopted the Employer's wage proposals finding that:

However, when one looks to the internal comparables a different tale is told. That is, as the Employers argue, the bargaining unit herein and other law enforcement bargaining units have been 'eventually placed ... in the appropriate wage relationship' to one another that the parties seemed to acknowledge when they agreed in the last bargaining agreement to wage increases in the first two years that mirrored those awarded to other law enforcement bargaining units. Moreover, that relationship would be upset if the Union's final offer were adopted, including that aspect of its final offer that would expand the application of retroactive wage increases. I conclude therefore that the internal comparability analysis strongly supports the Joint Employers' final offer on wages.⁸

The Union alleges that the Perkovich Award is an aberration and that he failed to consider the history of bargaining awards. The Union also alleges that the change in bargaining representative to Local 700 may have affected the way the need for a catch up was argued before Perkovich.

I find no evidence that Arbitrator Perkovich was unaware of the catch up arguments made in prior proceedings. Arbitrator Perkovich was clearly aware of the prior awards, describing them in his decision, and still decided for the Employer's wage proposal for the reasons he stated. I find the Perkovich Award to be a culmination, not an aberration, of

⁷ In his decision, Arbitrator Hill stated that Arbitrator Meyers found that catch up would be complete when the gap between DS and POs was between 5% and 12%. However, I cannot find any such finding in the Meyers Award. Arbitrator Meyers only refers to the 5% to 12% differential in comparing the DS to CO positions. referencing the Employer's evidence that a feeder position should be within 5% to 12% of the higher position and the Employer's position that the DS fed into the CO and the CO then fed into the PO position..

⁸ Perkovich Award, p. 4

the prior interest awards. At the end of the Perkovich Award, the differential between the DS and CO and PO positions was as follows:

	1	2	3	4	5	6	10 years	15 years	20 years	25 years
PI	22.66%	22.12%	21.95%	21.49%	20.83%	20.60%	21.25%	21.84%	22.54%	23.22%
CO1	2.34%	2.01%	2.36%	2.38%	2.01%	1.33%	1.33%	1.27%	1.30%	1.32%

The Union asserts that it is seeking 1.25% in addition to the Employer's wage pattern its wage proposal "in order to bring the Deputy Sheriffs' salaries back near the salaries of the Correctional Officers."⁹ The Union seeks increases that "will get the Deputy Sheriffs on an even keel with the Correctional Officers and closer to the Police Officers and which reflects the common rulings of Goldstein, Berman, Benn, Meyers and Hill."

The Union argues that the D2 employees should properly be placed at approximately the equivalent salary of COs, a situation that occurred prior to the Perkovich Award. This contention was rejected by Perkovich's findings. Since this situation was a result of the fact that the DS salaries for this period had been negotiated prior to the Great Recession while the CO salary level came after the start of the Great Recession, its occurrence cannot be used as a proper comparative. Under the Union's proposal the differential between the CO and D2 positions will be almost eliminated, and the DS position would be higher than COs in the 4th year of the agreement. At the end of the agreement the relative wage levels of the CO and DS positions would be as follows:

Effective 12/16-11/17	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>After 5</u>	<u>10 Yrs.</u>	<u>15 Yrs.</u>	<u>20 Yrs.</u>	<u>25 Yrs.</u>
Corrections	\$54,202	\$56,706	\$59,547	\$62,475	\$65,402	\$68,020	\$70,731	\$73,551	\$76,478	\$79,539
Deputy 02	\$53,644	\$56,304	\$58,919	\$61,807	\$64,937	\$67,988	\$70,700	\$73,560	\$76,467	\$79,508

⁹ Union brief, p.21

Even in the last year of the Union's proposal, the DS salary at the 8th step would be higher than the CO position.

Based on all the interest arbitration awards, including the Perkovich Award, I am not convinced of the need for a catch up raise as contained in the Union's offer. Over the past twenty years, the DS Unit has received larger increases than the PO and CO Units, reducing the gap between the PO unit by over half and almost completely eroding the gap between COs. With the adoption of the Employer's proposal, the CO position will be between the D2 and D2B positions, a placement that Arbitrator Perkovich found appropriate.¹⁰

I do not find any compelling evidence to upset the current relationship of the D2, D2B and CO positions. The CO position wage level lies between the D2 and D2B position, approximately 2% more than the D2 and approximately 2% less than the D2B.¹¹ This is far less than the differential that had existed during the time of the McAlpin, Goldstein, Berman, Benn, Meyers and Hill Awards. At the start of the McAlpin Award, the Teamsters stated that the differential between the CO and D2 positions was 23%. Arbitrator Meyers stated that the differential between the D2 and CO positions would be approximately 8% after his award. I am unaware of any interest arbitrators finding that the D2s should be equivalent to the COs.

¹⁰ The only possible concern I have with the relative wages is the disparity between the DS and PO positions. After the Perkovich Award, the disparity between the DS and PO positions is between 20.60% and 23.33%, depending on the step. According to the charts presented by the Employer on page 30 of its brief, the disparity drastically changes from the chart on 12/1/07 to the chart on 6/1/08, increasing by between .59% and 5.28% at the various steps. On the 12/1/07 chart the disparity is only 17.33% at the entry level. I have found no explanation for this large change in disparity percentage. The Union and Employer presented evidence that the total wage increases by all 3 of the Units totaled 17.25% during the period from 12/1/06 through 11/30/12. The bargaining agreement for the PO Unit shows that the wage increase on 6/1/08 was 2.75%, but the chart reflects a far larger increase. Since the charts for that period seems to conflict with this evidence, I believe there is an error somewhere on the charts, and will not use them as evidence that the disparity between the PO position and the CO and DS positions increased by such a large amount in 2008.

¹¹ The differential between the CO and D2 positions range from 1.27% at step 8 to 2.36% at step 3.

Many of these arbitration awards, in granting a catch up wage increase, specifically cited the need to for the DS position to catch up to the external comparables. In this case, there is no evidence on external comparables, so I do not have that basis to support the Union's wage proposal.

Public Interest and Welfare/Ability to Pay

While the Employer does not claim an inability to pay, it presented testimony and arguments on its restricted financial situation as a factor under Section 14h of the IPLRA provision that an arbitrator consider "the interest and welfare of the public and the financial ability of the unit of government to meet those costs.". However, I am not convinced that either of the wage proposals would have a drastic impact of the Employer's financial condition.

The Union asserts that the ability of the to attract and keep quality emergency service employees is essential to the interest and welfare of the public. Arbitrators also cite the public interest in the Employer's ability to attract and retain staff as well as having contented public workers as support for an adequate wage increase for the Unit. There is no evidence that the Employer's proposed wage increase is insufficient to avoid dramatically affecting retention, recruitment or staff morale. Thus I find the interest and welfare of the public to be a non-factor in evaluating the two wage proposals.

Conclusion

In evaluating the cost of living, internal comparables and public welfare evidence together, I find that the internal comparables and cost of living evidence support the Employer's proposal. The evidence presented does not support a finding that a catch up

wage increase is appropriate at this time. Thus, I find that the Employer's wage proposal to be appropriate.

HEALTH INSURANCE; EMPLOYEE CONTRIBUTIONS

The offers on health insurance are to increase the employee contributions to health insurance by the following percentage increases as a percent of salary:

<i>Date:</i>	<i>Union Final Offer:</i>	<i>Employer Final Offer:</i>
12/1/15	.5%	.5%
12/1/16	.25%	.5%

The Employer and Union agree on the employee contribution level for December 1, 2015, but not for December 1, 2016. The proposals result in the following level of employee contributions on December 1, 2016:

<u>December 1, 2016</u>	<u>Union HMO</u>	<u>Union PPO</u>	<u>Employer HMO</u>	<u>Employer PPO</u>
Employee	1.25%	2.25%	1.50%	2.50%
Employee + Children	1.50%	2.50%	1.75%	2.75%
Employee + Spouse	1.75%	2.75%	2.00%	3.00%
Employee + Family	2.00%	3.00%	2.25%	3.25%

The Employer has proposed the same increase in employee contributions that is being implemented with all other County employees, agreed to by the CO Unit, SEIU Unit, and the Circuit Clerk employee unit. The Union has accepted the health care design changes agreed to by these Units and the Employer asserts that there is no reason for the Union to receive a better deal than other employees.

I agree with the Employer's assertion that internal comparability is the most important factor in assessing health insurance proposals. Many interest arbitrators have accepted this concept. I agree with Arbitrator Yaeger's sentiment that:

As I discussed earlier, unless there is some compelling reason why this bargaining unit should not be treated like the other Village bargaining units, the Village's ability to negotiate the same provision with its other represented bargaining units should receive

significant if not controlling weight in this interest arbitration.¹²

The question is whether there is evidence to support the Unit members paying less for health insurance than other County employees. The Union has not pointed to any evidence supporting its proposal. The Employer provided evidence that even with the proposed increase, the employee contribution level compares favorably to other public employers in the area, including the City of Chicago, Chicago Public Schools, the State of Illinois and other large Illinois counties. I find that the external comparable evidence does not provide reason to deviate from the internal comparable comparison.

The Union asserts that acceptance of its proposal will not cost as much as the Employer claims because, unlike its "me too" clause, other unit's "me too" clauses only apply to bargained for health plans, not to arbitrated plans. However, since I have found no other reason to support the appropriateness of Union's proposal, it is unpersuasive that adoption of the Union's proposal won't cost the Employer as much as it claims. The existence of its "me too" clause does ensure that the Union will share in the benefit if any other arbitrator adopts a lower healthcare contribution level for a unit.

For the foregoing reasons, I find the Employer's proposal on health insurance employee contribution levels is more appropriate.

¹² *Village of Schaumburg*, ILRB S-MA-05-102 (2007) at p. 95

