STATE OF ILLINOIS
DEPARTMENT OF LABOR
ILLINOIS ARBITRATION SERVICE

In the Matter of Arbitration Between

Laborers Local 1274	)	IDOL Case #94-A-FR08-1051
	)	Issue: Interest Arbitration
vs.	)	
	)	Hearing Date: October 12, 1994
	)	
Macoupin County Board	)	Arbitrator: Flora Reilly

APPEARANCES:

Mr. Michael W. O'Hara
Cavanagh & O'Hara
407 East Adams
Springfield, IL 62705

on behalf of Laborers Local No. 1274;

Mr. Brent Cain
Assistant State's Attorney
227 East First South Street
Carlinville, IL 62626;

on behalf of the County of Macoupin

Mr. David Thomas
Macoupin County Board Chairman
Macoupin County Courthouse
Carlinville, IL 62626

on behalf of the Macoupin County Board.

PRESENT:

For the Union	For the County
Jeff Hendricks, Steward	Marvin L. Payne, Board Member
Robert Klaus, Steward	Don Denby, Board Member
Joe Crenshaw, Member	Jim Zirkelbach, Sheriff
	John Saracco, County Clerk

BACKGROUND

The County Board of Macoupin County and Sheriff of Macoupon County, hereinafter referred to as the "Employer", or "County", and the Laborers' International Union of North America, AFL-CIO, on behalf and with Local 1274, hereinafter referred to as the "Union", are signatory to a collective bargaining agreement, hereinafter referred to as the "Agreement", negotiated pursuant to Public Act 83-1012. The Agreement covers employees in the Sheriff's Security Unit.

Unable to reach an agreement on economic issues for the September 1, 1993 to September 1, 1994 Agreement, the matter was jointly submitted to the Illinois Arbitration Service for compulsory interest arbitration. Subsequent to my selection from a panel of arbitrators, a hearing was convened in Carlinville, Illinois, on October 12, 1994, in the matter of IDOL Case No. 94-A-FR08-1051.

ISSUE

Shall the economic issues for the September 1, 1993 to September 1, 1994 Agreement be resolved in favor of the Union's final proffer, or in favor of the Employer's final proffer?

POSITIONS OF THE PARTIES

It is the position of the Union, that this is an unusual arbitration, in that the cost of the economic package proffered at the bargaining table by the Employer far exceeds that which was requested by the Union. The package proffered by the Employer was equal to that which has already been provided to employees of the Employer who are not represented by the Union. That proffer, which is the same as is being offered to the bargaining unit as the Employer's final offer, is a $50 per month across the board raise, retroactive to September 1, 1993, which computes to $600 per year, per employee. The bargaining unit consists of 33-employees: ten deputies; 14 correction/dispatchers; two court security bailiffs; one deputy clerk; one office clerk; four janitors and two cooks. If the Employer's proffer is computed for the 33-employees in the bargaining unit, the annual cost would be approximately $20,000. Conversely, the cost of the economic items being requested by the Union on behalf of the bargaining unit is less than $11,000. It is not the cost of the package proffered by the Union, but the nature of the Union's package that is objectionable to the County.

The Union is seeking the following on behalf of the bargaining unit:

1. a longevity schedule (Union Exhibit 1);

2. the inclusion of all bargaining unit employees in the Sheriff's Law Enforcement Personal (SLEP) pension system, if eligible;

3. An increase of $50 per year in clothing allowance for all bargaining unit employees;

4. an additional step for vacation;

5. mileage reimbursement at the rate of 25-cents per mile for correctional officers who transport inmates or patients in private vehicles; and

6. the amendment of Article XI, Section 3, sub-section 4, by extending the period of layoff before loss of seniority from 18-months to 24-months.

The Union contends that the longevity schedule (Union Exhibit 1) is a means of rewarding individuals who have a long employment tenure with the Employer. The total cost of the Union's proposed wage increases, pursuant to the longevity schedule, is $6,407.61.

Of the 33-employees in the bargaining unit, ten-employees are deputies and are currently covered by the Sheriff's Law Enforcement Personnel (SLEP) pension plan provided by the Illinois Municipal Retirement Fund (IMRF). SLEP is an enhanced retirement program which allows employees covered thereunder to retire at a higher rate than that to which they would be entitled under IMRF. With this proffer, the Union is seeking some sort of parity with other employees in the bargaining unit regarding retirement. The Union's computation for participation in SLEP, from September 1, 1993 to September 1, 1994, would cost the Employer approximately $2,000. The Union admits that there has been some question of whether all employees in the bargaining unit are eligible to participate in SLEP, and concedes that if they are not eligible, this portion of the Union's final proffer can not be fulfilled.

All employees, except the cooks, have a $350 per year clothing allowance. The clothing allowance for the cooks is currently $100 per year. The increase sought by the Union would raise the annual clothing allowances to $400 and $150 respectively. The total cost for the contract year for the proposed increase in the clothing allowances is $1,650.00.

The additional vacation step sought by the Union is to change the eligibility for four weeks of vacation from 13-years to 12-years, in Article XIII, Section 1(H) of the Agreement. The Union contends that change would only affect approximately four employees in the bargaining unit during the contract year, with a maximum estimated cost to the Employer of $2,000.

Due to the fact that correctional officers, who are in the bargaining unit, are sometimes required to transport patients or inmates in private vehicles, the Union is seeking to amend Article XX, Section 2. of the Agreement to include correctional officers among those who shall receive mileage at the rate of twenty-five cents per mile for such trips. The cost, according to the Union, is a very modest amount, estimated not to exceed $5,000 per year.

The final issue proffered is an amendment to Article X1, Section 3, subsection 4, to extend the period of lay-off without loss of seniority from 18-months to 24-months.

The Union contends that the total cost of its proffer for the contract year of September 1, 1993, to September 1, 1994, is approximately $11,000. Conversely, the total cost of the Employer's proffer for the contract year is approximately $20,000. There can be no argument that the Employer is financially unable to meet the Union's final proffer, and the Union requests that the economic issues for the September 1, 1993 to September 1, 1994 contract year be resolved in its favor.

It is the position of the Employer, that it, as opposed to the Union, must consider the welfare of the entire county, which includes another union it negotiates with; non-union county employees; and officeholders. The Employer contends that a longevity schedule; an enhanced retirement program; and enhanced vacation time would not only affect the current fiscal year, but would be adding burdens to the Employer for an indefinite length of time.

David Thomas, who has been a member of the Macoupin County Board since 1994, and Chairman since December, 1988, testified that he has been one of the principal negotiators for the County throughout negotiations on the Agreement with the Union. Thomas said that with regards to the County's financial condition, he had requested pertinent information from the accounting firm of Pehlman & Dold, of Springfield, who have audited the County's records for at least the past ten years.

A letter to Thomas, from that firm, dated April 13, 1994, was offered into evidence as County Exhibit 1. Therein, it was pointed out that the County's financial position has greatly changed with the building of a county jail and other economic changes within the area. As of August 31, 1992, the County's General Fund had a beginning cash fund balance of $298,851. Total revenue for the 1992-1993 fiscal year was $3,894,536 and expenses were 4,120,327. Deficit spending for the fiscal year was $126,717, which lowered the beginning fund balance to $172,135, as of August 31, 1993. The auditing firm recommended that in order to maintain a positive financial position, that future budgeted expenses should not exceed expected revenues. The auditor indicated that the County needs to generate between $325,000 and $350,000 of income each month in order to meet general fund expenses, and expressed concern about the County's declining revenue and increasing expenses.

Thomas testified that during the past fiscal year, the County saw a loss of $270,000 to $280,000 in supplemental income tax, which was mandated by state law. Information received from Senate staff indicates to Thomas that the County may lose an additional $25,000 to $30,000 for the fiscal year that began September 1, 1994. Thomas said the two major revenue items in the County's budget are sales tax and income tax, and they must be cautious when something causes a decline in either.

When budget preparation began for the last fiscal year, Thomas said the County did not feel they could offer any raises because of the sizable loss in supplemental income tax revenue. As the fiscal year progressed, the County saw an increase in its sales tax revenue. It then offered a $50 per month wage increase to both non-union and union employees of the County.

Thomas said County expenditures which might impact on any wage increase or longevity program being offered by the bargaining unit includes a $60,000 radio system recently purchased for the sheriff's department, financed at approximately 4.75%; the renovation of the east side of the ground floor of the courthouse for a courtroom and a judge's chamber; and moving the traffic division of the circuit clerk's office downstairs. The renovation project was recommended by a group of judges for safety reasons and will be financed by a $100,000 line of credit with the Citizens State Bank of Shipman at an interest rate of approximately 5%, to be paid back over a five year period.

Also, there are holes in the dome and roof of the courthouse which must be repaired due to water penetrating the main courtroom on the second floor of the courthouse. Thomas said that will be an extensive project, but fortunately, the County received a $45,000 Build Illinois Grant to help with the cost. There is also the possibility of an asbestos abatement problem in the hallway of the ground floor of the courthouse, but no cost projections are currently available.

Thomas said the County's health and dental insurance premiums were $298,000 per year and are increasing by an additional $91,000 effective November 1, 1994. The County pays for its employees' health insurance. If they want the family plan, they have that option, but that portion of the premium is paid by the employee through payroll deductions.

Four new vehicles were purchases for the sheriff's department last year, at an approximate cost of $52,000 plus the cost of changing the radios, and the Sheriff has indicated that he would like to purchase some more vehicles this year. Thomas said the County is going to have to consider doing something with the heating system in the courthouse in the next few years, which could be a quarterof-a-million-dollar expenditure.

The County's objection to the inclusion of 22 additional employees in the bargaining unit under the SLEP pension is the additional cost to the County. Thomas said that under both pension plans, employees' contributions remain constant, but employer's contribution rate is subject to change each January 1. Under the IMRF pension plan, the employees' contributions are 4.5-percent, and under SLEP, employees' contributions are 6-percent. The employer contribution rate effective January 1, 1994 is 9.86-percent under IMRF and 11.42-percent under SLEP. According to the County's computations, placing all bargaining unit employees under the SLEP pension plan would cost the County an additional $6,319.98 per year, based on the 1994 contribution rate, which is subject to change annually.

Regarding the issue of the longevity wage scale, proffered by the Union in Union Exhibit 1, the County objects to that scale. According to Thomas, the County does not currently have a longevity-type pay scale with any of the unions with which it negotiates, nor for any of its non-union employees. Thomas said the County Board has been approached by another union, in addition to the Union in the instant case, and by non-union personnel, to consider a longevity schedule. It is the County Board's position that it is not interested in implementing a longevity pay scale.

The County's final proffer for the 1993/94 contractual year of a $50 per month across the board wage increase for the 33-employees in the Sheriff's Department would cost the County $19,800. The County asks that the economic issues for the September 1, 1993 to September 1, 1994 contract be resolved in its favor.

FINDING OF FACT

The matter is properly before this Arbitrator, pursuant to the Illinois Public Labor Relations Act (Ill. Rev. Stat. 1991, ch. 48, pars. 1601 et seq.) [5 ILCS 315]. The economic issues have been identified and the parties have submitted their final offers of settlement for bargaining unit employees of the Sheriff's Security Unit, who are covered by the Collective Bargaining Agreement between the County and the Union. The authority of this Arbitrator is limited by Section 14(g) of the Act (supra) to resolving each economic issue in dispute by choosing between the final offers of settlement of the parties, based on pertinent factors set forth in Section 14(h) of the Act, as applicable.

The County's final offer of settlement is a $50 per month across the board wage increase for each employee in the bargaining unit. With 33-employees in the bargaining unit, the County's proffer would cost a total of $19,800 for the contract year, September 1, 1993 to September 1, 1994. The County made no offers on any of the other economic issues addressed by the Union.

The Union's final offer covers six economic issues, which shall be addressed individually.

Issue No. 1 - Wages-Longevity Schedule

The longevity schedule proposed by the Union provides for no wage increase for employees with zero (0) to five (5) years of employment; one (1) percent increase for employees with five (5) to ten (10) years of employment; two (2) percent increase for employees with ten (10) to fifteen (15) years of employment; and three (3) percent increase for employees with fifteen (15) to twenty (20) years of employment.

Based on that longevity schedule, employees in each classification would be affected as follows:

Of the ten deputies, three would not receive a wage increase and would remain at their annual wages of $25,225.26; five deputies would each receive a monthly increase of $21.02, raising their annual wages to $25,477.81; and two deputies would receive a monthly increase of $42.46, raising their annual wages to $25,987.36. None of the deputies employed by the County qualify for the proposed 3% increase.

There are 14 employees in the classification of corrections/dispatch. Of those, eight would not receive a wage increase and would remain at their present annual wages of $22,717.56. Five corrections/dispatch employees would each receive a monthly increase of $18.93, raising their annual wages to $22,944.73; and one corrections/dispatch employee would receive a monthly increase of $38.24, raising that employee's annual wages to $23,403.62. No employees in this classification qualify for the proposed 3% increase.

In the classification of court security, there is only one employee. That employee has less than five years of employment, and would not receive a wage increase under the Union's proposal. His annual wages would remain at $24,325.56.

Only one person is employed in the classification of deputy clerk. That employee has 15 or more years of service, and would be entitled to a monthly increase of $50.45, for annual wages of $20,782.34, which is 3% more than the current annual wages of $19,585.56 for that classification.

The classification of office clerk has only one employee, who has between five and ten years of service and would be entitled to a monthly increase of 15.70, for annual wages of $19,029.97.

One person is employed in the classification of 1st cook, with five to ten years of longevity. That employee would be entitled to a monthly increase of $14.40, for annual wages of $18,412.80.

In the classification of 2nd cook, there is one employee, who has been employed between five and ten years and would be entitled to a monthly increase of $12.00, for annual wages of $15,264.00.

There is one employee in the classification of maintenance technician. With 15 to 20 years of employment, the Union's proposal would give him a monthly increase of $56.53, for annual wages of $23,289.14.

In the classification of janitor, there are three employees. One has been employed less than five years, and would not receive an increase, remaining at annual wages of $18,408.00. Two employees in the classification of janitor have been employed ten to 15 years and would be entitled to a monthly increase of $30.98, for an annual wage of $18,963.92.

The total annual cost for the Union's longevity schedule proposal would be $6,407.61.

The longevity schedule proposed by the Union would increase wages for the bargaining unit by a total of $6,407.69 for the September 1, 1993 to September 1, 1994 contract year. The County's offer of $50 per month for each employee for the same period would cost the County a total of $19,800.00, which is $13,392.11 more than the annual cost of the Union's proffer.

In consideration of the County's concern that even though the initial cost of a longevity schedule is lest costly for the contract year at issue; that the County would be bound to that schedule in future years; and it would subsequently cost more, I extrapolated the costs further. Speaking hypothetically, if bargaining unit employees were given the same percentage of raises, and all remained within their present longevity range during the subsequent contract year, the total increase for that year would be $6,536.48. That is a combined total of $12,944.17 in wage increases for the bargaining unit over a two year period, which is still considerably less costly than the County's offer for one year. In a worst case scenario, i.e., if every employee in the bargaining unit advanced to the next highest level of longevity in the schedule, during the next contract year, the total cost for those wages, for that year, would be $13,870.26. Added to the $6,407.69 for the contract year at issue in the instant case, the total worst case scenario cost under the Union's proposal for two years would be 20,277.95, slightly more than the County's offer for only one contract year. Based on the figures in that hypothetical example, there would still be a savings to the County of $19,322.05 over a two year period.

The evidence does not support the County's concern regarding the potential for future exorbitant costs if the Union's proffer is accepted. Subsequent year negotiations can not be predicted and must stand or fall on their own. The Union's proffer is reasonable, will enhance employee moral and loyalty and is a considerable cost saving measure for the County.

ISSUE NO. 2 - SLEP PENSION SYSTEM

The Union's proposal to include all bargaining unit personnel in the enhanced SLEP pension system, administered by the Illinois Municipal Retirement Fund (IMRF) was based on the condition that all employees are eligible to participate, and left that determination to this Arbitrator. My research in this matter included a verbal explanation of eligibility for participation in SLEP, from IMRF field representative, George Stavroulakis, who provided me with IMRF publication No. 10 M 11669, entitled "Illinois Municipal Retirement Fund - Your SLEP Benefits", and a copy of a memorandum, dated September 10, 1990, issued to IMRF field representatives by Louis W. Kosiba, of the IMRF Chicago office, detailing the definition of "deputy sheriff" for inclusion in the SLEP program.

The IMRF Publication (ibid), on page three, states: "To qualify for the SLEP program, you must be a full-time deputy sheriff. A full-time deputy sheriff is one who works as a deputy 52 weeks a year (regular vacation excepted) for a full week (usually 35 to 40 hours a week) as defined by the county and sheriff.

"You should be properly appointed as provided by state law that limits the number of deputies to the maximum allowed by the county board. In addition, in those counties that have adopted the Sheriffs' Merit Commission Act, your appointment must be made from the list certified by the Merit Commission. Part-time, auxiliary, or special deputies may not participate in the SLEP program."

The definition of "deputy sheriff" is further clarified in the memorandum (ibid), which states: In order for a deputy sheriff to participate in the SLEP program he or she must satisfy each of the following criteria:

"1) Work 'full-time' in the office of the sheriff ('full-time' is determined by local personnel policies - usually 35 to 40 hours per week, 52 weeks a year); and,

"2) Have been appointed by the Sheriff; and,

"3) The appointment must be in writing and signed by the Sheriff; and,

"4) Take an oath or affirmation in the same form as required of Sheriffs (which is to be filed in the office of the County Clerk); and, "5) The appointment cannot exceed the number of appointments allowed by the county board; and

"6) If a Merit Commission exists under the 'Sheriff's Merit System Act,' then the person must be certified by the Commission as qualified for appointment; and,

"7) Was never classified as a conscientious objector by a local selective service draft board; and

"8) Must be a U.S. Citizen.

"If a deputy sheriff satisfies these eight criteria, when applicable, he or she must be enrolled in the SLEP program. The deputy's actual job classification or actual duties do not determine SLEP participation. Thus a deputy sheriff who satisfies the criteria must be enrolled in SLEP even though they actually work as a bailiff, desk sargeant, jailer, matron, process server, communications operator, or any other function which may not typically be considered a deputy sheriff."

Accordingly, the inclusion of all bargaining unit employees in the SLEP program is not an issue subject to negotiations between the Union and the County. The criteria is established by applicable law and the administering agency (IMRF), which requires that deputies who meet all eight criteria above <u>must</u> be included in SLEP, and employees of the County who do not meet all eight of the criteria are <u>prohibited</u> from inclusion in the SLEP program.

Issue No. 3 - Clothing Allowance

The increase of $50 per year in the clothing allowance for employees would give cooks a total of $150 in clothing allowance and all other employees $400, which is reasonable and is comparable to clothing allowances for other similar employees.

Issue No. 4 - Additional Vacation Step

The vacation leave schedule in Article XIII, Section 1. provides for paid vacation as follows: one week after one year of service; two weeks after two years of service; thereafter, one day of vacation is added for each year of service, through year seven, at which time three weeks of vacation is earned. Then the schedule requires six more years of service, to the 13th year of employment, in order to earn four weeks (five-days) of vacation. The Union's proffer of receiving four weeks of vacation after 12-years of service is more consistent with the service-years/vacation-earned ratio in prior years, subsequent to the first two years of service, i.e., one additional day is added for each year of service. Under the current schedule, wherein four weeks of vacation are earned after thirteen years of service, it requires employees to work six additional years beyond seven years, in order to receive those additional five days of vacation. I find that the Union's proffer is reasonable and not cost prohibitive.

Issue No. 5 - Mileage Reimbursement

When correctional officers employed by the County are required to transport patients or inmates in their private vehicles, they should be compensated at the mileage rate of twenty-five cents ($.25), as are other officers when they are attending to duty-related business and must use a private vehicle.

Issue No. 6 - Extension of Time for Recall from Layoff

The Union's proffer in this matter is to extend from 18-months, to 24-months, the period of time an employee has recall rights from layoff. This matter is one of job security; is clearly a mandatory subject for bargaining, and will result in no additional cost to the County.

CONCLUSION AND AWARD

ACCORDINGLY, after due consideration of the matters presented by the Union and the County; the applicable factors set forth in Section 14(h) of the Act; and the cost savings to the County, I find that each of the economic issues for the contract year of September 1, 1993 to September 1, 1994 shall be resolved as follows:

Issue No. 1 shall be resolved in favor of the Union;

Issue No. 2 shall be resolved in favor of the County;

Issue No. 3 shall be resolved in favor of the Union;

Issue No. 4 shall be resolved in favor of the Union;

Issue No. 5 shall be resolved in favor of the Union; and

Issue No. 6 shall be resolved in favor of the Union.

Flora Reilly

Flora Reilly, Arbitrator
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