

INTEREST ARBITRATION

HAMILTON COUNTY AND)	
HAMILTON COUNTY SHERIFF)	
)	
Employers)	
)	
and)	ISLRB # S-MA-00-117
)	
SOUTHERN ILLINOIS LABORERS)	
DISTRICT COUNCIL)	
)	
Union)	

Appearances

For the Employer:
Mr. Jack Knuppel
State's Attorney Appellate Prosecutor
Springfield, Illinois

For the Union:
Mr. Michael Stout
Director of Operations
Southern Illinois Laborers' District
Council

Introduction

This impasse on a three year contract was submitted to the undersigned by voluntary agreement between the parties pursuant to 5 ILCS 315 (14) with the parties stipulating

...that the procedural prerequisites for convening the Arbitration hearing have been met and that the Arbitrator has jurisdiction and authority to rule on those mandatory subjects of bargaining submitted to her as authorized by the Illinois Public Labor Relations Act (IPLRA), including but not limited to the express authority and jurisdiction to award increases in wages retroactive to December 1, 1999. The parties agree to use the procedures authorized in Section 14 of the IPLRA, with the exception of convening a tripartite panel...

The parties further stipulated to a hearing date of February 14, 2000 regardless of any earlier statutory or administrative deadline for the arbitration hearing. They waived the transcription of the hearing by court reporter, and this arbitrator has tape recorded the hearing as her record.

The parties by written stipulation (exhibit A) did further

"agree that the following issues remain in dispute and that those issues are a mandatory subject of bargaining submitted for resolution to the Arbitrator. The parties agree that the following issues are economic within the meaning of Section 14(g) of the Illinois Public Labor Relations Act

What increase in Wages/Pension will be received by the Bargaining Unit?

effective December 1, 1999

effective December 1, 2000

effective December 1, 2001

The parties' proffered exhibits were admitted subject to weight, and each presented both case in chief and rebuttal without restriction. Post hearing briefs were waived, and the matter closed upon oral argument. The Arbitrator obtained joint consent to a one week extension in which to issue her award, said one week extension being to and through March 22, 2000.

Background; Economic Issues

This bargaining unit consists of the sworn officers of the Hamilton County Sheriffs Department: one chief deputy sheriff and two deputy sheriffs. Their affiliation is with Laborers Local 1197. The Employers are the Hamilton County Board of and Hamilton County Sheriff. The two deputy sheriffs have considerable county tenure: one with 23 years of experience (fourteen county, nine city) and the other with eighteen years. The tenure of the Chief Deputy does not show of record.

Hamilton County is located in south central Illinois, approximately 100 miles east southeast of St. Louis, Missouri. This is a rural county with a 1990 census population of 8,499. The County seat of McLeansboro has a population (1990 census) of 2677. The parties have agreed to a comparison group of eleven other rural counties from throughout the state of Illinois whose population and equalized assessed valuation (1996) are as set forth in attached exhibit B. The Union has also proposed, and the employer opposed, the use of the City of McLeansboro police department as an additional comparison. That issue is discussed below.

The contract at issue is a three year contract, to be effective December 1, 1999 to and through November 30, 2002. The

parties have agreed upon all issues except wages and pension. The most recent (1998-1999) hourly wage, and the final offer as to each party for the three years of the contract follow:

Deputy Sheriffs:wages

present hourly wage \$ 8.21

	<u>1999-2000:</u>	<u>2000-2001</u>	<u>2001-2002</u>
<u>County offer</u>	8.51 (+6 c)	8.81 (+10 c)	9.21 (+10 c)
<u>Union offer</u>	10. 60 (+6 c)	11.10 (+10 c)	11.60 (+10 c)

Chief Deputy Sheriff: wages

present hourly wage \$ 8.80

<u>County offer</u>	9.10 (+6 c)	9.40 (+10 c)	9.80 (+10 c)
<u>Union offer</u>	11.30 (+6 c)	11.80 (+10 c)	12.30 (+10 c)

Pension Issue; Offer percentages

The parties have agreed to newly enroll these officers in the Pension Fund of the Laborers International Union. The deputies have not previously been part of that Pension Fund. The new contribution is worded in the employer's final proposal (see proposed Article XXI language attached as exhibit C). The figures in parenthesis in the above chart represent the per hour contribution to be made to the Laborers International Union Pension Fund; the final proposal as to **prospective** contribution is the same from each party. The Employer's offer also includes a two years' retroactive payment (97-99) into that fund.

The Employer has taken its pension contribution offer (six cents per hour) for the preceding two years and that same amount offer for the first year of the next contract and added the total of eighteen cents to its per hour wage base increase offer of .30

when calculating the percent increase of its offer. Thus, as the Employer perceives\defines its first year offer, it is an increase of forty-eight cents (30 + 18) per hour.¹

The Union final offer does not include a retroactive pension payment, but includes the same per hour contribution for each year of the three year contract.

It should be noted that the employer pension contribution does not add to the base and thus does not provide a larger base upon which future percentage increases would be negotiated. That base is increased only by the underlying proposed wage increases (.30, .30, .40)

Offers Analyzed

To compare "apples to apples" and because the parties utilized the pension contribution as part of their demand figure for purposes of comparing percentages, the **per year** pension contribution has been added to each party's offer in my calculation of the percentage increase. However, as noted, the Employer, on what I consider weaker grounds, is also crediting itself with the retroactive pension **as part of its wage offer** despite this being a one time payment, and not an addition to the base wage.

The Employer proposal of an increase of .30 + 6c for the first year to the deputies would bring their hourly rate from \$ 8.21 per hour to \$8.57. This represents an increase of 4.3848 percent (.36\8.21). Accepting the Employer's approach of crediting itself with the two retroactive pension payments in calculating the "percentage offer" results in a shown increase of \$.48 per hour, which would be an increase from the most recent hourly wage by 5.846 percent (.48 \ 8.21). The Employer compares this favorably to several indexes, as discussed below.

The Union proposal for Deputies for the first (1999-2000) contract year is an hourly wage of \$10.66 (\$10.60 + 6 c). This increase as calculated (10.66-8.21=) is by \$2.45, an increase of 29.8416 percent (2.45\8.21). Even leaving out the six cents per

¹ The retroactive pension covers three individuals. It is to be paid on all hours, i.e. vacation, paid holiday, worked hours. The deputies work a 40 hour week. The total pension cost for the two retroactive years is \$249.60 per deputy, or a total of \$750.00 rounded. This is a one time payment. The Laborers pension will be an additional benefit. The county cost per year with this small a unit in the first year will be \$2.40 per week, or \$124.80 per year. For the second and third years it will be \$4.00 per week, or \$160 per year for each of three sheriffs.

hour pension, the Union's first year final offer still represents an increase of 29.11 percent. Obviously, the difference in percent increase between the two parties is huge. Viewed solely as a percentage increase, the Union final offer as to first year of the contract is well beyond any typical range of wage increases locally or nationwide in this period.

For the second year of the deputies' contract, the employer's offer of thirty cents (plus ten cents pension contribution) per hour would be an increase of 4.667 percent ($.40 \backslash 8.57$). For the third year of the contract, the employer offer of fifty cents (forty cents per hour plus ten cents per hour pension contribution) represents a percentage increase of 5.611 percent ($.50 \backslash 8.91$).² The Union's second year proposal for deputies is 11.10 per hour plus the ten cent pension contribution. The 11.20 per hour is an increase of fifty-four cents per hour ($11.20 - 10.66 = .54 \backslash 10.66$), a 5.065 percent increase. The Union-proposed third year hourly wage of 11.60 per hour plus a ten cent pension contribution is an increase of 4.464 percent ($11.70 - 11.20 = .50 \backslash 11.20$)

The Employer's proposal as it concerns the Chief Deputy is that he "shall receive the same cents per hour increases as the deputy sheriffs onto his current rate of pay." Thus, the County's first year contract increase for the Chief Deputy would also be thirty cents per hour (\$ 8.80 to 9.10), the second year again by thirty cents (9.10 to 9.40) and the third year an increase of forty cents per hour (9.40 to 9.80) In each case, the same contribution to the Laborers' Pension fund would be made (6 c, 10 c, 10 c). The Union's final offer for the Chief Deputy is \$11.30 for the first year (\$11.36 with pension), \$11.80 the second year (11.90 with pension) and \$12.30 the third year (\$12.40 with pension.) The Employer offer for the Chief Deputy (not crediting the one time retroactive pension) is a 4.090 percent increase ($\$9.16 - \$8.80 = 36 \backslash 8.80$). The Union offer of an considerable increase (from \$8.80 to 11.36) would increase the wage by twenty-nine percent ($\$2.56 \backslash 8.80$). For the contract second and third years the Union offer as to the Chief Deputy pay is an additional fifty cents per hour each year.

As noted, the Union-sought increases, expressed as percentages, are well in excess of any typical range of wage increases. However, the union has provided comparables as to other counties which the County has neither claimed, nor demonstrated, to

² The figures could also very arguably be calculated using the "true" base, since, again, the pension amount is only for the life of this contract. However, both offers were calculated in identical fashion, i.e. as though the pension contribution were part of the base.

be inappropriate comparables. The counties utilized are all rural, have an equalized assessed valuation in a continuum from half that of Hamilton County to nearly twice that of Hamilton County. Their populations have ranged from 4,373 up to 10,626. Most are in the 6500 to 8500 range. Hamilton County's population (1990) was 8,499 and no significant increase is anticipated. The Employer has not proposed different comparable counties for my consideration.

The per hour wage for deputies and chief deputy (or his equivalent in title and responsibility) were obtained from the other counties by salary surveys and proposals, copies of which are in evidence. These comparables reveal that to adopt the County's final proposal for the first year will leave the Deputy and Chief Deputies as the lowest paid of all counties, and by a considerable margin. See attached exhibits D and E. The average for all comparable counties for the chief deputy position is \$11.24 per hour to be compared with the Union first year proposal for Chief Deputy of \$11.36. The County proposal is \$9.16.

For the third year of this contract the County proposal would award the hourly rate of pay of \$9.90 (chief deputy) and \$9.21 (deputies). With these increases they would remain at the bottom of the **existing** range, except that the Chief deputy at the start of his third year would be higher than **one** of the present comparables. This low ranking in the **present** range also requires an assumption (implausible) that there will be no increase in the other counties in the second and third years.

I have considered the County's objection to the use of the McLeansboro police Department as an additional comparable. I would note that these are law enforcement officers in the County seat, of the same county, and that no difference in education, experience, or abilities or areas of responsibility has been demonstrated. The City of McLeansboro is not a major urban center (population well under 3,000 per 1990 census figures). The Assistant Police Chief for McLeansboro has, since May, 1999, earned \$11.16 per hour. The Union proposal for the Chief Deputy Sheriff at 11.36 is not substantially greater than the Assistant Police Chief earns. Selection of the Union's offer would place the County's Chief Deputy sheriff eighth out of the twelve counties. Selection of the County's final offer would leave the Chief Deputy at the bottom, at fifty cents per hour less than the next lowest, and more than one dollar (to four dollars) less per hour than all other counties, even leaving out the top paying (\$14.59) county of Stark.

As for Deputies' wages, Hamilton County deputies are also at the bottom of all comparables, and again not close to the hourly wage of the next lowest groups in the chain. The County offer is \$8.57 (with pension) and the next lowest group (Schuyler County)

are paid \$9.50, or ninety three cents per hour greater. The wages of the comparable counties climb up to \$11.56 (again leaving out the highest, Brown County at \$12.75.) If the Union proposal for the deputies' first year contract of \$10.66 were accepted, this would place the Hamilton County deputies in seventh place out of twelve, and at eight cents per hour above the average.

The Union proposes here that for the second year (December 1, 2000-Nov 30,2001) the deputies' hourly rate be \$11.20. This would move the deputies up in the **present** figures of pay by the comparables to fourth among the counties. As for the third year, the Union's per hour offer for deputies of \$11.70 would place them second in rank of the **present** range of the comparables. Again, this requires the same assumption of no increases in the other counties. With increases elsewhere, the relative position is even lower.

Again utilizing the McLeansboro police department as an additional comparable, one sees that since May 1999 the patrolman have been earning \$10.78 (compare to first year Union proposal here of \$10.66.) Effective May 2000, the City Patrolmen will go up to \$11.25 (compare to Union proposal that as of December 2000 the Hamilton County deputies move up to \$11.20.) The County opposes use of the McLeansboro comparable, arguing that the City is "in a stronger financial position" and has a sales tax. But the City is really not shown as having a major industry or retail base, and there is no quantification of this "stronger position." And the County disavows inability to pay argument.

The City of McLeansboro contract was put in evidence. The comparable figures for counties were obtained by salary survey, and signed responses from various county clerks. In some cases, annual wages or monthly figures were given, along with the hours worked per week, allowing an hourly calculation. In some cases second and third year offer information was given. I am satisfied that the information given was reliable. I was also provided a "fringe benefit survey" of the United Counties Council of Illinois, which does not indicate that there are any benefits (longevity, COLA) available in Hamilton County to compensate\counteract the vastly lower pay of its deputies.

The Union has also emphasized to the undersigned that by adopting the Employer's proposal the annual salary for the first year for the Chief Deputy would be \$18,900, and for the deputies \$17,700. By contrast, the Federal Health and Human Services (HHS) 1999 poverty guideline for a family of four (both deputies in Hamilton) is not much lower at \$16,700. The 1998 national occupational employment and wage estimate for sheriffs and deputies (those who "enforce law and order in rural or unincorporated

counties") shows that only ten percent earn an annual wage of \$19,070 or less, that the median is \$28,270 and that the median hourly wage is \$13.59. The Union argues that by these measures the County's offer would leave these deputies at the bottom of many indicators of the pay range for their profession, as practiced in rural counties.

The County offered information about offers to its other laborers units as of 11/30/99. Its offer to highway employees was \$9.31 (compared to 8.51 for deputies.) The highway employees are (skilled) equipment operators and the county "must compete on prevailing wage" with such a group. The Union points out that the other laborers unit contracts had not been agreed to except for one and that the other positions lacked the aspect of job risk present with the sheriffs.

I have considered certain indexes submitted by the County which show that the consumer price index from December 1998 to 1999 increased by 2.7 percent and the percent change in "Employment cost index for state and local government services" was 3.3 percent for the twelve months ended in September 1999. The County has also provided me an annual salary figure using the six counties out of the twelve which are unionized and presumably have therefore somewhat greater bargaining power. It has placed Hamilton as though the County proposal had been implemented.

This exhibit does not support the County offer. It shows that of the six unionized counties and using this annual salary, Hamilton is fifth. The sole lower wage county is shown as Pope, which has half the population and half of the equalized assessed valuation. Moreover, I have great doubts about the figure provided for the "lower" county of Pope. The Pope County clerk submission provided by the Union recites that deputies are paid \$1667 per month, which works out to \$20,004 per year, not the \$16,390 per year that is listed on the County's exhibit. The basis for the far lower county exhibit figure is not explained. The Union has given me the source of its figure; the County has not. What I conclude is that a county with half the equalized assessed valuation of Hamilton, is paying its deputies more than three thousand dollars more per year than Hamilton.

As noted earlier, the Union proposal for the first year (affecting of course all future bases) when expressed in percentages is a vast increase. However, when placed in the context of its comparison group, the reasoning for it is persuasive. The comparison group of eleven counties, plus Hamilton, was selected based upon equalized assessed valuation and population, and rural character. No particular problem unique to Hamilton County was raised or suggested or record. The County's representative

specifically acknowledged that it **is not asserting inability to pay**. Because of the great lag behind position of Hamilton county deputies, I consider that the union proposal's indeed high percentage figure viewed in comparison with wage increase percentages has less meaning than might otherwise be the case. It is a considerable increase, but from a considerably lower position, for which the County has provided no explanation.

The main argument posed by the County is that only in Hamilton do the sheriffs (now) have access to the additional laborers pension fund. But the cost to the County of 10c per hour (second and third year) or the lower cost of 6 cents for the first, and the retroactive, years, does not begin to address the vast difference in wages. ³ The contribution to the Laborers pension is small, and can be taken into account in future negotiations. It does not compensate for the greatly lower hourly wage of this group.

Statutory Factors

The arbitration panel is required by statute "as to each economic issue (to) 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 panel is to "base its findings, opinions and order upon the following factors as applicable."

- (1) the lawful authority of the employer
- (2) Stipulations of the parties.
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those needs.

³ Before the addition of this new participation in the laborers' pension fund the deputies were (and continue to be) enrolled as part of the state IMRF benefit for **Sheriffs Law Enforcement Personnel**. The SLEP pension is an additional retirement benefit available after twenty years of full time deputy sheriff service. The parties agree that SLEP costs more to the counties (and employees) participating and is a better benefit than IMRF. The County argues that its deputies will "retire ten years earlier at a higher pension (50 percent versus 35 percent) than the IMRF clericals, (both after twenty years of service.) The comparison to clericals is unimpressive. The County makes its contribution to the IMRF regardless of what it is paying as an hourly wage and all counties make payments into this fund. The County argument is that it is now providing the additional pension contribution. But the amount of the Laborers pension contribution is both small and is being credited for purposes of comparison.

(4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding 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 services, commonly known as the cost of living

(6) The overall compensation 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 any of the foregoing circumstances during the pendency of the arbitration proceeding

(8) Such other factors...normally or traditionally taken into consideration in the determination of wages hours and conditions of employment through voluntary collective bargaining.....

Having considered those factors, I find that the Union final offer more nearly meets them, that the county is able to meet the costs of the union proposal, and that it is in the interest and welfare of the public to select that proposal.

Award

Based upon the arguments and evidence submitted by the parties, and for the reasons discussed above, this arbitrator concludes and holds that the three year contract effective December 1, 1999 shall contain the Union's final offer as to wages and pension for each year of said contract. Said offer contains no retroactive pension under the Union proposal and none is awarded.

Ellen J. Alexander, Arbitrator

Certificate of Service

The undersigned certifies that she did on March 17, 2000 at the hour of 6PM place with the US postal service in Evanston Illinois addressed to the following parties postage prepaid a copy of the above award.

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