ILLINOIS LABOR RELATIONS BOARD
INTEREST ARBITRATION

Before
PETER R. MEYERS
Arbitrator

In the Matter of the Interest Arbitration between:

METROPOLITAN ALLIANCE OF POLICE, STEGER POLICE CHAPTER #117, Union and **VILLAGE OF STEGER,** Employer	Case No. **S-MA-02-132**

DECISION AND AWARD

Appearances on behalf of the Union

John S. Rossi—Attorney
Chris McCleverty—Investigator/Patrolman/Acting President
Mike Tilton—Part-Time Patrol/Vice President
Rachel Connell

Appearances on behalf of the Employer

Franklin D. Burkey—Village Attorney
Peter Skinger—Auditor
Richard Stultz—Chief of Police

This matter came to be heard before Arbitrator Peter R. Meyers on the 16th day of April 2003 at 35 West 34th Street, Steger, Illinois. Mr. John S. Rossi presented on behalf of the Union, and Mr. Franklin D. Burkey presented on behalf of the Employer.

Introduction

The Village of Steger, Illinois (hereinafter "the Employer"), and the Metropolitan Alliance of Police, Steger Chapter 117 (hereinafter "the Union"), entered into collective bargaining negotiations for a collective bargaining agreement to take the place of the contract scheduled to expire on April 30, 2002. Although the parties were able to resolve most matters, there nevertheless are unresolved issues remaining between them.

Pursuant to the Illinois Labor Relations Act, 5 ILCS 315/1 *et seq*., this matter was submitted for Compulsory Interest Arbitration and scheduled to be heard by Neutral Arbitrator Peter R. Meyers on April 16, 2003, in Steger, Illinois. The parties subsequently filed written, post-hearing briefs in support of their respective positions on May 28, 2003.

Relevant Statutory Provisions

ILLINOIS PUBLIC LABOR RELATIONS ACT
5 ILCS 315/1 et seq.

> **Section 14(h)** Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall 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 costs.

(4) Comparisons 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 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 any of 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 in private employment.

Issues Submitted for Arbitration

The following economic issues remain in dispute between the parties:

1. Court Time Pay (Section 5.6);

2. Officer-in-Charge Differential (Section 5.10);

3. Holidays (Section 8.1);

4. Personal Days (Section 8.3);

5. Health Insurance (Section 15.1);

6. Longevity Pay (Section 19.5);

7. Wage Step for Sergeants and Telecommunicators (Appendix A); and
8. Termination (Section 24.1)

Discussion and Decision

This Arbitrator has carefully reviewed the parties' final proposals as to the issues that remain unresolved between them, as well as their submissions in support of their respective positions. The issues in dispute all are economic in nature, within the meaning of Section 14(g) of the Act. Accordingly, this Arbitrator must select either the Employer's final offer or the Union's final offer as the resolution for each issue; this Arbitrator is without authority to fashion an award of his own choosing in connection with any of the economic issues in dispute, as would be possible with regard to non-economic issues.

The evidentiary record reveals that the Village of Steger, Illinois, is a non-home rule municipality that is located in both Cook and Will Counties; about half of the Village's population resides within each of these counties. The Village is governed by an elected Village President and Board of Trustees, but it does not have a Village Administrator or other in-house professional staff. The Village currently has about fifty full- or part-time employees.

The Union's bargaining unit within the Village's Police Department is composed of thirteen full-time patrol officers, two sergeants, eleven part-time officers, and five full-time telecommunicators, and the Union was certified as the exclusive representative of this bargaining unit about eight years ago. The Department also has one lieutenant and a chief of police, both of whom are outside the bargaining unit. The collective bargaining agreement at issue is the third contract between the parties, and this is the first time that the parties have proceeded to interest arbitration.

Section 14(h) of the Illinois Public Labor Relations Act, 5 ILCS 315/14(h) (hereinafter “the Act”), sets forth the various criteria for evaluating final proposals in proceedings such as this one. It must be noted that not all of the listed statutory factors will apply to this matter the same weight and relevance. The Employer's ability to pay is one of the statutory factors that is a point of contention between the parties. The Employer has cited financial stresses, pointing to the difficulty of increasing its real estate tax revenue because the Village's population is split between two counties, as well as the existing caps on real estate tax increases. The Union has countered by arguing that the Employer failed to present any evidence that it was unable to pay any of the wages or other economic benefits proposed by the Union.

The parties were unable to reach agreement on comparable communities, which generally is one of the more important of the statutory factors in any interest arbitration proceeding. The Union has proposed Crete, Justice, and Glenwood as appropriate comparables, while the Employer has emphasized Sauk Village, Olympia Fields, Park Forest, Homewood, and South Chicago Heights from a long list of municipalities included in a survey of health insurance premiums. After a thorough review, I have determined that the demographic information in the evidentiary record on these various communities suggests that the Union’s proposed comparables are more appropriate. The

Union evaluated possible comparable communities by geographic location, population, EAV, sales tax revenue, and number of village employees and police officers. By narrowing its focus to those communities having populations within 40% of Steger's population, the Union ultimately was able to identify Crete, Glenwood, and Justice as offering a balanced and valid comparison to the Village of Steger. This Arbitrator agrees with the Union's analysis and finds that the communities of Crete, Glenwood, and Justice are appropriate choices as externally comparable communities. These three communities shall form the basis for external comparisons throughout this Decision and Award. It must be noted that neither side offered an internal comparison, so this statutory factor shall not play a role here.

The other statutory factors that are particularly important in this proceeding are the interests and welfare of the public, the overall compensation that the employees currently receive, and the consumer price index, at least with regard to how the inflation rate affects the operation of the caps on real estate tax increases. As previously noted, the relevant statutory factors provide a framework for the analysis of the parties' competing proposals. What follows, then, is an analysis of each of the remaining issues in dispute, in light of the relevant statutory factors, the evidence in the record, and the other considerations set forth above. There are a number of issues that were included in the parties' submission to interest arbitration as to which the parties subsequently reached tentative agreements. This Decision and Award does not address any of those issues, as they now are considered resolved through the negotiation and agreement of the parties.

1. Court Time Pay (Section 5.6)

The Union's final offer on the issue of Court Time Pay is to maintain that status quo as follows:

> All Police Officers covered by this Agreement will receive a minimum of four (4) hours of regular compensation for attendance in Court or the actual time worked at regular pay.

The Employer's final offer on the issue of Court Time Pay is as follows:

> Two hours of pay or actual time for local court appearances; Four hours or actual time paid for out of town court appearances.

Because the Employer is proposing a change to the existing contract language, it must establish a sound basis for making the proposed change. The Employer's proposal would change court time pay only for local court appearances; compensation for out-of-town court appearances would remain the same. In support of its proposal, the Employer points out that local court appearances relate only to a traffic call, and officers typically spend only fifteen minutes to an hour in local courts. According to the Employer, the proposal to change the compensation for local court time to a minimum of two hours or actual time spent would alter this form of compensation to more nearly reflect actual service.

It is evident that the officers' appearances in local courts are quite different from their appearances in out-of-town courts. In addition to the obvious differences in distance and travel time, the amount of time spent on the typical local court appearance generally is far shorter than the time spent in an out-of-town court appearance. There is no obvious reason why local court appearances should be treated in the same way as out-of-town court appearances for purposes of the minimum pay guarantee.

The data on this issue from the externally comparable communities demonstrates that a four-hour minimum guarantee for local court time is somewhat out of balance with what these other communities pay their officers for court time. The current four-hour minimum guarantee for local court appearances is more than Crete, Justice, or Glenwood offer for court pay. Glenwood, in fact, provides a two-hour minimum guarantee. Given the fact that the Employer's proposal would reduce the current minimum guarantee from four hours to two hours only for local court appearances, leaving the four-hour minimum guarantee in place for out-of-town court appearances, the Employer's proposal would place the parties squarely within the range of guaranteed minimum pay offered by the externally comparable communities. This appropriate result strongly supports the adoption of the Employer's proposal on this issue.

In light of the statutory factors and the relevant evidence in the record, the Arbitrator finds that the Employer's final proposal on the issue of court time pay is more appropriate and shall be adopted, and it is set forth in the Appendix attached hereto.

2. Officer-in-Charge Differential (Section 5.10)

The Union's final offer on the issue of Officer-in-Charge Differential is as follows:

> Any covered employee who is ordered or assigned by the Chief or his/her designee, to perform the duties of an acting supervisor, shall be paid for all hours worked as such, at the rate of one dollar ($1.00) per hour in addition to his/her

> base salary. All covered employees who have not been assigned or ordered to perform supervisory duties by the Chief or his assignee, shall not be expected to perform such duties. The mere presence of a senior officer on duty without a supervisor does not entitle the officer to OIC pay.

The Employer's final offer on the issue of Officer-in-Charge Differential is to maintain the status quo.

The Union's proposal on this issue would add a new provision to the parties' contract. Apparently, none of the parties' previous contracts have allowed for the payment of an officer-in-charge differential. On this issue, the Union bears the burden of demonstrating a reasonable basis for making the proposed change.

In support of its assertion that officer-in-charge pay is reasonable, the Union points to the externally comparable communities. Currently, Crete and the Employer do not offer OIC pay, while both Justice and Glenwood do. The Union's proposal of OIC pay at the rate of $1.00 per hour would place the Village exactly between the lower amount paid by Justice and the higher amount paid by Glenwood.

As for the question of whether such pay is necessary, the Union points out that the Department's sergeants do not work on the afternoon shift, from 4:00 p.m. to midnight, on Monday through Friday. Accordingly, there are no sergeants or other commanders on duty during this time period each day. The police officers who are on duty during the afternoon shift therefore are the highest ranking Department members on duty at the time. The Union contends that because these officers assume such responsibility during this shift, they should be compensated for it.

The Employer contends that even though sergeants are not on duty during the afternoon shift, the type of work that typically is performed by the officers on duty during this time period is typical police work. The Employer maintains that if some sort of policy decision is necessary, a lieutenant or chief typically is contacted. Moreover, the Employer points out that the Justice Police Department has the rank of corporal, while the Steger Department does not; in Justice, corporals receive OIC pay when they are acting in command. The Employer contends that this proposal is merely an attempt to further increase the wages of certain officers.

Although it certainly is true that, in the age of cell phones, pagers, and other forms of communication, various individuals in command ranks almost always will be reachable, there nevertheless will be certain command level decisions and situations that may be handled only by the highest ranking Department member on duty, even if that highest ranking member is not of command rank. Command situations do not always involve policy decisions, as the Employer seems to suggest, and it will not always be possible to reach an off-duty command officer in time to respond to situation that requires immediate action.

Even though there are no command officers on duty during the afternoon shift on Monday through Friday, it is evident that the highest ranking officer on duty during this time period does effectively function as the officer in charge. There can be no serious argument that the necessity of assuming this responsibility justifies the payment of additional compensation. The Union's proposal for OIC pay allows for the payment of a reasonable wage differential to those officers who perform the duties of an acting supervisor. Contrary to the Employer's contention, the Union's proposal does not mean that a senior patrol officer necessarily will receive OIC pay that is not available to a junior patrol officer. The OIC pay is available only to those employees who are ordered or assigned to perform the duties of an acting supervisor. The highest ranking officer on duty during the afternoon shift on Monday through Friday, for example, performs the duties of an acting supervisor through assignment, in that no command rank officers are on duty during this shift.

In light of the statutory factors and the relevant evidence in the record, the Arbitrator finds that the Union's final proposal on the issue of officer-in-charge pay is more appropriate and shall be adopted, and it is set forth in the Appendix attached hereto.

3. Holidays (Section 8.1)

The Union's final offer on the issue of Holidays is as follows:

> The following days are holidays for all covered employees, with the exception of part-time patrol officers:
>
> New Years Day
> M.L. King Day
> Memorial Day
> Independence Day
> Labor Day
> Thanksgiving Day
> Day after Thanksgiving
> Christmas Eve
> Christmas Day
> Easter Sunday
> New Year's Eve

The Employer's final offer on the issue of Holidays is to maintain the status quo.

The Union again bears the burden with regard to the issue of holidays because its proposal would change the existing contractual language by increasing the number of paid holidays from ten to eleven. The Union justifies its proposal by citing the low wages paid to Steger patrol officers and telecommunicators, compared to the wages paid in the externally comparable communities. A review of the data relating to paid holidays demonstrates that two of the three comparable communities allow ten paid holidays, the same number as the parties' contract currently allows, while the other comparable community allows for nine paid holidays.

Although it is appropriate to view a bargaining unit's total compensation package when determining the appropriate level of the components of that compensation package, a proper consideration of the relevant statutory factors, particularly the comparison with compensation packages in comparable communities, precludes the allowance of a benefit at a level that significantly exceeds what is available in the comparable communities. With regard to paid holidays, the range within the comparable communities is between nine and ten, with the majority allowing for ten paid holidays. There is no sound basis for granting a benefit to the Steger officers that so far exceeds what is available to officers in the comparable communities. If there is something of a wage gap between the Steger officers and those in the comparable communities, it cannot be made up through an increase in paid holidays. The fact that work on a paid holiday is compensated at the rate of two and one-half times an officer's regular hourly rate makes an increase in the number of paid holidays an inappropriate means of dealing with a wage gap.

Accordingly, this Arbitrator finds that the Employer's proposal on the issue of paid holidays is more appropriate in light of the relevant statutory factors and evidence. The Employer's proposal therefore shall be adopted, and Section 8.1 of the parties' collective bargaining agreement therefore shall remain unchanged.

4. Personal Days (Section 8.3)

The Union's final offer on the issue of Personal Days is as follows:

> All employees, with the exception of part-time police officers, shall be awarded three (3) personal shifts annually. A "personal shift" shall correspond with the actual hours of work for the affected employee, i.e., an employee regularly working eight (8) hour shifts, shall be entitled to an eight (8) hour "personal shift"; an employee regularly working ten (10) hours shall be entitled to a ten (10) hour "personal shift". These shifts may be carried over and the employee may accrue up to ten (10) personal shifts, but only upon written application to the Chief of Police or his designee, and such application shall not be unreasonably denied. Personal shifts may be taken with the Chief's approval with no less than twenty-four (24) hours notice unless an emergency arises. If personal days are used in combination with vacation time this must be requested with the vacation request. If a personal shift is utilized in conjunction with two (2) valid sick days, then the Village shall not have the right to demand a doctor's note before that affected employee returns to work.

The Employer's final offer on the issue of Personal Days is to maintain the status quo.

As with the issue of paid holidays, the Union's proposal involves a change to the existing contractual language, increasing the number of personal days from two to three, so the Union bears the burden of establishing a sound basis for making the proposed change. The Union advances the same arguments as it did in connection with paid holidays, asserting that because the Employer pays lower wages to its officers than are paid to officers in the externally comparable communities, an increase in the number of personal days is justified.

The Union's proposal must be rejected, however, because it does not represent an appropriate means of closing whatever wage gap exists between the Steger officers and the officers in the externally comparable communities. As the Employer has pointed out, many employees already have accumulated a significant amount of compensatory time, and an increase in the number of personal days, even if employees may accumulate only up to ten personal days, would correspondingly increase the amount of accumulated compensatory time.

In light of the relevant evidence and statutory factors, the Arbitrator finds that the Employer's proposal on the issue of personal days is more appropriate. Accordingly, the Employer's proposal on this issue shall be adopted, and Section 8.3 of the parties' collective bargaining agreement shall remain unchanged.

5. Health Insurance (Section 15.1)

The Union's final offer on the issue of Health Insurance, or Hospitalization, is as follows:

> The Village shall continue to provide all covered full-time Employees an HMO policy as currently provided with the benefits at the same levels as currently provided. The Employees agree to pay, as and for contribution for the premiums for said medical, dental, optical and life insurance coverage, the following amounts:
>
> Single Comprehensive Medical Coverage . . . . $20.00 per month

Family Comprehensive Medical Coverage . . . . $40.00 per month
Dental Single or Family Coverage . . . . $15.00 per month

The above contributions shall be in full force and effect for the duration of this Agreement.

The Employer's final offer on the issue of Health Insurance, or Hospitalization, is as follows:

The Village of Steger shall provide to all covered full-time employees, an HMO policy similar to the policy now in effect and the same as would be offered to other Village employees in the future, with a drug cost reimbursement benefit in line with and similar to that which Blue Cross/Blue Shield offers. Each covered employee shall pay the sum of 7% in the first year, 12% in the second year and 15% in the third year of the insurance premium charge for said coverage. The Village agrees that the base is to be capped to an increase not to exceed 2 1/2% each year over the present year's premium.

(For the present year, contribution would be as follows:)

single -	$19.64
single + 1 -	39.98
family -	60.32

Both parties have made proposals on this issue that would change the existing contractual language. The parties' competing proposals must be analyzed in light of the critical importance of health insurance coverage and the recent explosion in the cost of such coverage, an explosion that is likely to continue into the foreseeable future. Both parties' proposals demonstrate their awareness of the problem of the increasing cost of coverage, in that each proposal involves an increase in the employees' contribution toward the cost of coverage. The Union's proposal calls for an increase in the flat-rate contribution that employees make toward their health insurance coverage, while the Employer's proposal seeks to change the flat-rate employee contribution to a contribution based on a percentage of the premium cost.

The Employer's proposal is somewhat complex in that it seeks to phase in the percentage contribution rate over the term of the new contract, moving from 7% of the premium in the first year, to 12% in the second year, and finally 15% in the third year of the contract. In order to reduce what may be a large jump in the amount of the employee contribution under this proposal, the Employer has incorporated a cap, which would limit the annual increase in the employee contribution to two and one/half percent over the base, which the Employer has defined as the current year's premium.

The Union has argued that the Employer's proposal is, at best, murky in that it seems to suggest that the cap would apply to the previous year's percentage contribution. According to the Employer's explanation of its proposal both during the hearing and in its post-hearing brief, this apparently is not the case. The Employer explained during the hearing that the two and one-half percent cap applies to increases in the base, which it defines as the current premium amount. Under the Employer's proposal, the employees will pay 7% of the base, or the current premium amount, during the first year of the contract. During the second year of the contract, the base used in this calculation may increase, but by no more than two and one-half percent, and the employees will pay 12% of the increased base. Similarly in the third year of the contract, the base used in the calculation may again increase, but by no more than two and one-half percent of the base used during the second year, and the employees will pay 15% of that amount.

The Union also argues that the Employer's proposal is murky because the Employer has not provided any information regarding current premium costs, nor has it given a projection of those costs during the term of the contract. This is a difficulty because the absence of such information means that there can be no certainty regarding the actual amount of the employees' contributions over the course of the contract. It must be noted, however, that any projections regarding the cost of health insurance coverage necessarily would be, under the current circumstances, sketchy, at best. It does not seem possible for the Employer to offer any sort of useful projection of what will happen to these costs over the term of the parties' new contract. Essentially, both parties are operating in the dark on this issue, and there is no solution for that problem.

The Union's proposal, while possessing the advantage of certainty regarding the amount that employees will be contributing toward the cost of their health insurance coverage, fails to address what even the Union has acknowledged is the critical issue here: the economic pressure placed on the Employer due to run-away premium costs. Although the Union has proposed significant increases in the flat-rate amounts that bargaining unit members pay toward their health insurance coverage, I find that this proposal quite simply does not go far enough, especially in light of skyrocketing premiums.

Despite its "murkiness," the Employer's proposal more realistically and reasonably addresses the economic pressure associated with the rising cost of health insurance coverage. The Employer's proposal represents a reasonable and more equitable sharing of that burden.

In light of the evidence and the relevant statutory factors, this Arbitrator finds that the

Employer's proposal on the issue of health insurance premiums is more reasonable and appropriate. The Employer's proposal on this issue therefore shall be adopted, and it is set forth in the Appendix attached hereto.

6. Longevity Pay (Section 19.5)

The Union's final offer on the issue of Longevity Pay is as follows:

> All employees covered by this Agreement shall be entitled to longevity pay to be added to the employees' hourly wage in the following manner:
>
> 6-10 years of service . . . . $.10 per hour
> 10 thru 13 years of service . . . . $.25 per hour
> 13 thru 15 years of service . . . . $.50 per hour
> 16 thru 20 years of service . . . . $.75 per hour
> 21 years and above . . . . $1.00 per hour

The Employer's final offer on the issue of Longevity Pay is to maintain the status quo.

The Union's proposal would change the existing longevity pay schedule by adding a step in the middle of the ladder and increasing the amount of longevity pay that those employees in the upper steps of the schedule would receive. The Union has supported its proposal by referring to evidence that the Department has lost a number of officers during the last two years because of low wages. The public certainly has an interest in attracting and retaining well-qualified, well-trained, and experienced police officers. The loss of such officers results not only in concrete costs to the Village, such as those associated with recruiting and training replacements, but also in less tangible costs to the Village, including those relating to losses in effective policing and community service that come with the departure of experienced officers.

The wage data from the comparable communities demonstrates that there is a significant gap between the wages paid Steger officers and the wages paid to officers in the comparable communities; Steger's wages lag far behind. Longevity pay is one logical and reasonable means for addressing such a wage gap. In conjunction with the wage issue discussed below, I find that the Union's proposed increase in the existing longevity pay schedule serves to narrow the gap without unreasonably adding to the Employer's costs. When this is viewed in the context of the effect that better overall compensation will have on the Department's ability to retain valuable employees, the Union's proposal must be deemed reasonable. The Employer's proposal to maintain the current longevity pay schedule without change fails to address the various problems associated with Steger's lagging wages.

In light of the evidence and the relevant statutory factors, this Arbitrator finds that the Union's proposal on the issue of longevity is more reasonable. Accordingly, the Union's proposal on this issue shall be adopted, and it is set forth in the Appendix attached hereto.

7. Wage Step for Sergeants and Telecommunicators (Appendix A)

The Union's final offer on the issue of a Wage Step for Sergeants and Telecommunicators is as follows:

WAGE SCHEDULE – PATROL OFFICERS

	Current	5-1-02 to 4-30-03	5-1-03 to 4-30-04	5-1-04 to 4-30-05
<u>Sergeants</u>				
Starting – 1 year	$20.75	$21.58	$22.44	$23.34
1 year – 3 years	$21.78	$22.65	$23.56	

$24.50

Patrol Officers

Starting – 1 year	$14.03	$14.59	$15.17	$15.78
1 year – 2 years	$16.76	$17.43	$18.13	$18.85
3 years – 5 years	$18.01	$18.73	$19.48	$20.26
6 years – 8 years	$18.50	$19.24	$20.00	$20.81
9 years and up	$19.38	$20.16	$20.96	$21.80
Part-time Patrolmen	$11.57	$12.03	$12.51	$13.01

WAGE SCHEDULE – TELECOMMUNICATORS

Full Time	Current	5-1-02 to 4-30-03	5-1-03 to 4-30-04	5-1-04 to 4-30-05
Starting	$10.56	$10.98	$11.42	$11.88
1 – 3 years	$12.90	$13.42	$13.96	$14.52
3 years – 5 years	$13.02	$13.54	$14.08	$14.64
5 years and above	$	$13.69	$14.24	$14.81
Chief Clerk	$13.84	$14.54	$15.12	$15.72

Part-Time

Starting	$9.42	$9.80	$10.19	$10.60
Over 1 year	$10.61	$11.03	$11.47	$11.93

The Employer’s final offer on the issue of a Wage Step for Sergeants and Telecommunicators is to maintain the status quo with regard to Sergeants, but it acknowledges that a step increase for Telecommunicators probably is more justified.

The Union’s proposal on wage steps for Sergeants and Telecommunicators rests squarely upon the wage data from the comparable communities. This data conclusively establishes that the wages paid to Steger police officers lags behind that of all the comparable communities, and in virtually every wage step. In order for the Employer, and the citizens of the Village, to gain the benefit of retaining qualified, experienced police officers, it absolutely is necessary to address this wage gap. It must be noted that the Employer has not argued against the step increase that the Union proposes for Telecommunicators, a tacit admission that lagging wages do present a problem for the Employer in attracting and retaining quality employees.

As for the Union’s proposal to add a wage step for Sergeants, the evidence demonstrates that this is a reasonable means of retaining these valuable employees. The current wage schedule incorporates only a single step for those who have reached the rank of Sergeant, which does little to motivate these individuals to remain with the Employer for the long term. The addition of a second wage step for Sergeants, as the Union proposes, will provide at least some incentive for higher ranking and more senior members of the Department to remain, which benefits the Village and its citizens as a whole.

The disparity in wages and overall compensation between Steger and the comparable communities cannot be closed all at once. I find that the Union's proposal relating to wage steps for Sergeants and Telecommunicators reasonably and properly narrows that gap, without over-reaching at the Employer's economic expense. The Union's proposal sufficiently balances the employees' interests with that of the Employer, and an analysis of the relevant statutory factors, especially a review of compensation data from the comparable communities and a consideration of the interests of the public, supports the adoption of the Union's wage step proposal.

Accordingly, this Arbitrator finds that the Union's proposal on the issue of wage steps for Sergeants and Telecommunicators is more reasonable than the Employer's proposal. The Union's proposal therefore shall be adopted, and it is set forth in the Appendix attached hereto.

8. Termination (Section 24.1)

The Union's final offer on the issue of termination is as follows:

> This Agreement shall be effective as of the day after it is executed by both parties and shall remain in force and effect until April 30, 2005. It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing at least sixty (60) days prior to the anniversary date and not earlier than ninety (90) days that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin no later than sixty (60) days prior to the anniversary date. In the event that either party desires to terminate this Agreement, then the benefits as described herein shall remain in full force and effect with no diminution up to and until a new collective bargaining agreement shall be executed, and the party wishing to terminate shall give notice at least ninety (90) days prior to the expiration date hereof and not earlier than one hundred twenty (120) days.

The Employer made no final offer on the issue of termination.

Since the previous contract was three years and the Employer has made no offer on the issue of termination for the new contract, I find that the Union's proposal should be adopted, with a three-year contract and all economic benefits retroactive to May 1, 2002.

<u>Conclusion</u>

I find that the Employer prevails on the issues of court-time pay, holidays, personal days, and health insurance. The Union prevails on the issues of officer-in-charge differential, longevity pay, wage step for sergeants and telecommunicators, and termination. The new contract language is attached as an Appendix hereto.

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PETER R. MEYERS
Impartial Arbitrator

Dated this 1st day of July 2003
At Chicago, Illinois.

APPENDIX

ARTICLE V – COMPENSATION AND HOURS OF WORK

Section 5.6. Court Time:

All Police Officers covered by this Agreement will receive a minimum of Two hours of pay or actual time for local court appearances; Four hours or actual time paid for out of town court appearances.

Section 5.10. Officer-in-Charge Differential:

Any covered employee who is ordered or assigned by the Chief or his/her designee, to perform the duties of an acting supervisor, shall be paid for all hours worked as such, at the rate of one dollar ($1.00) per hour in addition to his/her base salary. All covered employees who have not been assigned or ordered to perform supervisory duties by the Chief or his assignee, shall not be expected to perform such duties. The mere presence of a senior officer on duty without a supervisor does not entitle the officer to OIC pay.

ARTICLE XV
HOSPITALIZATION, DENTAL, OPTICAL, AND LIFE INSURANCE

Section 15.1. Hospitalization:

The Village of Steger shall provide to all covered full-time employees, an HMO policy similar to the policy now in effect and the same as would be offered to other Village employees in the future, with a drug cost reimbursement benefit in line with and similar to that which Blue Cross/Blue Shield offers. Each covered employee shall pay the sum of 7% in the first year, 12% in the second year and 15% in the third year of the insurance premium charge for said coverage. The Village agrees that the base is to be capped to an increase not to exceed 2 1/2% each year over the present year's premium.

(For the present year, contribution would be as follows:)

single -	$19.64
single + 1 -	39.98
family -	60.32

ARTICLE XIX - SENIORITY

Section 19.5. Longevity Pay:

All employees covered by this Agreement shall be entitled to longevity pay to be added to the employees' hourly wage in the following manner:

6-10 years of service . . . . $.10 per hour
10 thru 13 years of service . . . . $.25 per hour
13 thru 15 years of service . . . . $.50 per hour
16 thru 20 years of service . . . . $.75 per hour
21 years and above . . . . $1.00 per hour

APPENDIX A

WAGE SCHEDULE – PATROL OFFICERS

	Current	5-1-02 to 4-30-03	5-1-03 to 4-30-04	5-1-04 to 4-30-05
Sergeants				
Starting – 1 year	$20.75	$21.58	$22.44	$23.34
1 year – 3 years	$21.78	$22.65	$23.56	$24.50
Patrol Officers				
Starting – 1 year	$14.03	$14.59	$15.17	$15.78
1 year – 2 years	$16.76	$17.43	$18.13	$18.85
3 years – 5 years	$18.01	$18.73	$19.48	$20.26
6 years – 8 years	$18.50	$19.24	$20.00	$20.81
9 years and up	$19.38	$20.16	$20.96	$21.80
Part-time Patrolmen	$11.57	$12.03	$12.51	$13.01

WAGE SCHEDULE – TELECOMMUNICATORS

Full Time	Current	5-1-02 to 4-30-03	5-1-03 to 4-30-04	5-1-04 to 4-30-05
Starting	$10.56	$10.98	$11.42	$11.88
1 – 3 years	$12.90	$13.42	$13.96	$14.52
3 years – 5 years	$13.02	$13.54	$14.08	$14.64
5 years and above	$	$13.69	$14.24	$14.81
<u>Chief Clerk</u>	$13.84	$14.54	$15.12	$15.72
<u>Part-Time</u>				
Starting	$9.42	$9.80	$10.19	$10.60
Over 1 year	$10.61	$11.03	$11.47	$11.93

ARTICLE XXIV – TERMINATION

Section 24.1. Termination:

This Agreement shall be effective as of the day after it is executed by both parties and shall remain in force and effect until April 30, 2005. It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing at least sixty (60) days prior to the anniversary date and not earlier than ninety (90) days that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin no later than sixty (60) days prior to the anniversary date. In the event that either party desires to terminate this Agreement, then the benefits as described herein shall remain in full force and effect with no diminution up to and until a new collective bargaining agreement shall be executed, and the party wishing to terminate shall give notice at least ninety (90) days prior to the expiration date hereof and not earlier than one hundred twenty (120) days.