

STATE OF ILLINOIS
IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN

THE CITY OF PEKIN, ILLINOIS

AND

Case No. S-MA-03-180

ILLINOIS FRATERNAL ORDER OF
POLICE LABOR COUNCIL, on behalf of FOP
LODGE NO. 105

APPEARANCES:

Thomas F. Sonneborn on behalf of the Union
Patrick A. Murphey on behalf of the City

This is an interest arbitration award under Section 14 of the IL Public Labor Relations Act. Pursuant to Section 14 (c) of the Act, the parties selected the undersigned to serve as a single arbitrator in the matter, and pursuant thereto, a hearing in the matter was conducted on June 30, 2004, during the course of which the parties presented evidence and arguments in support of their respective positions. Additional evidence and briefs were filed thereafter and the record was closed on October 27, 2004. Related thereto, the City objected to the undersigned's invitation to the parties to submit reply briefs addressing issues raised by one, but not both parties in the initial brief exchange, based upon the fact that the parties' ground rules and pre-hearing stipulations did not provide for the submission of reply briefs. In the undersigned's opinion, an arbitrator in a matter such as this has the discretion to assure that the record is complete regarding all relevant contentions raised by the parties in their arguments. Based upon that premise, where, as here, relevant contentions are raised in an initial brief exchange that are not addressed in the other party's brief, the arbitrator has the discretion, in order to assure that the record is complete regarding said contentions/issues, to permit the parties to file reply briefs that address such contentions in order to assure that the arbitrator fully understands the position of both parties on all relevant disputed issues. Based upon a review of the record the undersigned renders the following award based upon consideration of the factors set forth in Section 14 (h) of the Act:

Four issues remain in dispute: Health Insurance, Retiree Health Insurance (which the City contends is a non-mandatory subject of bargaining and which is accordingly not an appropriate subject for interest arbitration, Hours and Overtime (Meals/Breaks, and Shift Briefing (the parties disagree as to whether this issue is an economic or non-economic issue for purposes of interest arbitration), and Residency.

The parties agreed to a 3% wage increase, effective retroactively to 5/1/03, a 3.5% increase effective 5/1/04, 5/1/05, and 5/1/06.

The parties have agreed that the Agreement that is the subject of this interest arbitration proceeding shall become effective retroactive to 5/1/03 and shall remain in effect until 4/30/07, however, this does not bind the parties to retroactivity on issues at impasse in this proceeding.

The parties stipulated that the following jurisdictions are appropriate external comparables: Dekalb, Normal, Danville, Quincy, Freeport, Rock Island, Galesburg, Urbana, and Kankakee.

HEALTH INSURANCE

The City sponsors a self-insured health plan for its employees and their dependents, with a specific stop loss re-insurance policy that reimburses the plan where claims exceed the stop loss. The City funds 100 percent of individual employee premiums. Employees pay \$25/month for dependent coverage.

In 2002 a new benefits plan, identified as Plan A, was negotiated with the Teamsters and IAFF, which changed the deductible to \$250 per individual and \$500 per family, rather than zero, and the out of network deductible from \$300/600 (single/family) to \$500/1000. Co-pay limits were also increased for non-network charges to 60/40, rather than 80/20, with a higher out of pocket maximum of \$2600/5200 instead of \$1300/2600. A new 'out of area' classification was also created at an 80/20 split. Premiums for the new Plan A were set at \$510/month for individual coverage, and \$1107/month for family/dependent coverage. The City discounted the individual premium for Plan A retirees by \$107/month from 12/1/02 until 1/1/04.

Teamster represented employees and unrepresented employees were moved from Plan C to Plan A effective 8/1/02. Active IAFF employees moved to Plan A 11/1/02 and retired fire fighters moved to Plan A 12/1/02.

Plan C was eliminated, except for the instant bargaining unit.

The City proposes that unit employees move to Plan A effective 5/1/and that effective that date the Employer and employee share equally any increases to family/dependent coverage, up to a cap per employee of \$75/month over the premium in effect on 4/30/03; and that employees shall contribute \$25/month for individual coverage.

The Union proposes that employees have the choice of three plans with the following premium contributions:

Plan A	\$25/month for single coverage
	\$75/month for dependent coverage

Plan B	No employee premium contribution required
Plan C	\$25/month for single coverage \$50/month for single coverage effective 5/1/06
	\$100/month for family coverage \$125/month for family coverage effective 5/1/06

The Union also proposed that there would not be any change in benefits without prior bargaining, and that impasses/disputes resulting therefrom could be submitted to interest arbitration.

City Position:

The Union proposal is ostensibly retroactive to 5/1/03, while the City's would take effect 5/1/04. It fails to expressly address whether (and if so, when) employees would elect to change from Plan C to Plan A or B, which would likely result in grievances over what the Union's proposal means in this regard.

It is also not clear whether the Union's proposed "cafeteria" type plan will be tax qualified.

In addition, Plan B was established only for retirees, and to open it up to younger, current employees could result in employee elections to plans that could adversely affect plan costs.

While the rate of inflation in health care has been in the double digits, the cost to the City under the Plan, even with the revision replacing Plan C with Plan A, has exceeded 200 %. The arbitrator should give significant weight to the fact that by 2003 the City had absorbed increases of 280 percent on individual premiums, and 204 percent on dependent coverage costs, and that the cost to the City for dependent coverage exceeded \$7.50/hour.

While the IAFF obtained a higher wage increase in 2002 and 2003, it committed to Plan A, which resulted in substantial cost savings for the City. In addition, under the new Plan the City and Unions achieved additional savings in 2003 and 2004 through plan design changes.

If Plan C is continued and healthy younger employees opt out, the Plan's risk exposure would increase. Furthermore Plan C would not satisfy the new PPO contract with the Plan's network, and therefore, the City would absorb all of this cost.

The Union's proposal seeks to circumvent efforts by the City and other Unions to contain plan costs by increasing deductibles and co-pays for out of network choices. This should not be permitted since the prevailing arbitral view holds that internal equity is a predominant factor relative to benefits like insurance. (Citations omitted)

External comparables also support the reasonableness of the City's offer in this regard. Even though Plan A's deductibles and co-payments compare favorably to the average of the other Comparables' plans, Pekin employees contribute substantially less and Pekin contributes substantially more to fund these benefits than its' counterparts.

The establishment of a Joint (union-management) Insurance Committee to study and try to reach consensus on changes to the City Plans that can be achieved is a progressive approach that should be encouraged. Because the Committee operates by consensus only, it requires no waiver of bargaining rights. The Union's refusal to participate in this effort is simply not reasonable and is harmful to the interest of all.

Discussion:

In spite of the fact that the City's proposal on this issue will significantly increase employee health insurance costs, the reasonableness of the proposal is strongly supported by internal comparability, which the undersigned believes must be given significant weight on this issue, particularly since the benefits and costs associated with the City's Medical Insurance Benefit Plan are so affected by all of the participants in the Plan. While the undersigned recognizes that this award will have significant adverse economic consequences on unit employees, there appears to be little choice but to spread the pain that both employers and employees are experiencing in trying to cope with the problems both groups are having in trying to maintain the kinds of medical insurance coverage that have traditionally been provided employees by their employers. Pekin and these unit employees are not alone in confronting this dilemma, and the City's proposal, painful as it is, appears to be a reasonable approach to the management of this problem in a manner that spreads the pain as equitably as possible. Although the Union proposal contains concessions in this regard, the preponderance of evidence in this proceeding supports a conclusion that said concessions are not sufficient to address the problems that have been identified by the City. Furthermore, if the Union chooses to participate in the Joint Insurance Committee established by the City and other unions, because said Committee operates on a consensus basis, the Union would have an effective voice (indeed, veto power) in determining the future of the Plan.

Perhaps it should be noted as well that in the undersigned's opinion, there is not a clear pattern among the external comparables supporting either party's position on this issue.

Based upon the foregoing considerations, and the fact that this is clearly an economic issue within the meaning of the interest arbitration statute, the undersigned will award herein the City's proposal on medical insurance for current employees.

RETIREE HEALTH INSURANCE

In accord with the IL Pension Code, retirees are entitled to coverage by the City's health plan. The City does not pay the insurance premium costs for retirees.

There is also a Union established Health Insurance Trust, to which officers may contribute until their retirement, and thereafter. Until 1996 the City contributed to the Trust. However, thereafter, the City increased the top step of the salary schedule, which resulted in higher pension benefits, and reached agreement with the Union that it would no longer have an obligation to fund or pay for retiree insurance coverage, beyond the subsidy mandated by the IL Insurance Code. In 2000 the Trust capped payments at \$250/month per retiree, and terminated payment for dependent coverage.

Effective 5/1/03 the City created two additional coverage options for all retirees; Plan B, which has higher deductibles and co-pays, but lower premiums, and Plan D, which provides Plan A's coverage, but only as a secondary plan where the retiree has other primary group insurance coverage.

The City proposes the status quo.

The Union proposes the same three plans (A, B, and C) that it proposes be made available to current employees be made available to employees who retire at the following premium contribution rates:

Plan A: 5/1/04 \$400/month.

5/1/06 \$400/month plus 50% of any increase in premium costs to a maximum of \$480/month. City to pay remaining costs.

Plan B: No premium contribution. City to pay all costs

Plan C: City to pay the same portion of premiums as it pays for Plan A.

No change in benefits under any plan without prior bargaining with Union. Disputes resulting therefrom to be submitted to binding interest arbitration.

City Position:

The Union's proposal is unclear as to what groups the proposal applies; only active employees who retire in the future, active employees who retire in the future with immediate pension rights, active employees who retire with deferred pension rights; or current retirees? Furthermore, the Union's proposal isn't clear whether it applies only until an employee is eligible for Medicare, or for life. It also doesn't define premiums for a retiree's spouse or dependents.

The Union's proposal also isn't clear whether the retiree's premiums are in addition to, or include the Trust's \$250 contribution, and whether that contribution is made if the retiree elects Plan B.

All of the City's other agreements contain language similar to the status quo language in the parties' Agreement. Under the IAFF Agreement, the City has no obligation to pay any of the premium costs for retired firefighters electing retiree health insurance under

the City plan, beyond the same fifty percent contribution on accumulated sick leave included in the 2000 FOP Agreement. If the FOP were to prevail on this issue, the City can reasonably expect that the IAFF would seek the same benefits in their next round of negotiations. What the City has proposed in this regard reflects what likely would have been the bargain in traditional arms length negotiations regarding this issue.

Given the generous retirement benefits afforded unit employees, no case has been made by the Union to enhance the benefits that are already available to these individuals.

External comparability also supports the fairness of the City's position on this issue. In this regard, five of the nine comparables do not contribute toward, assume, or defray the cost of continued coverage for retirees. Furthermore, the other comparables offer nothing like nor are they as costly as what the Union proposes. None of the comparables cap a retiree's cost for health coverage.

The Union's proposal on this issue is also unreasonable since it will have little or no impact during the remaining 2 ½ years of the Agreement, but will have a deleterious effect upon the City's ability to staff the Department in the distant future, particularly since the IL Constitution precludes any adverse change in contractual retirement rights provided to current employees. In this regard a vast majority of current unit employees will not be eligible for retirement during the term of the Agreement, but any retirement benefits afforded such employees by the Agreement can never be diminished. Relatedly, the Union's assertion that its retiree health benefit proposal is not a retirement benefit is patently false.

The Union's assertion that its acceptance of a 3.5% wage increase in the first year of the Agreement while the IAFF got 4% in wages in the first year of its 2002-2006 Agreement constitutes a quid pro quo ignores the fact that the IAFF accepted Plan A and agreed to contribute \$25/month/single and \$75/month/family for that Plan despite its new \$300/600 in network deductible and higher co-pay limit. Furthermore, the IAFF agreed to save the Plan \$50/month/participant through plan changes in 2003-04.

Furthermore, the Court in Sanders v. City of Springfield, 130 Ill. App. 3d 490 held that the Police Pension Act precludes the use of home rule power to provide pension benefits other than those provided by Article 3 of the Pension Code. In City of Decatur v. AFSCME, 122 Ill 2d 353 the Supreme Court indicated that the bargaining duty may be limited by a law that specifically provides for, or prohibits a matter that would otherwise be a mandatory subject of bargaining. Article 3 of the IL Pension Code is preemptive, in that it establishes a unified system of pension benefits for cities larger than 5,000, but smaller than 500,000, and expressly prohibits any covered municipality, which includes Pekin, from providing, by any means whatsoever, whether singly or as part of any plan or program, any other type of retirement or annuity benefit. Thus, in this proceeding, the Union's proposal on this issue is prohibited by 3-150 of the IL Pension Code, and is not within the lawful authority of the City.

Union Position:

The Union's proposal is more than comparably supported. All it seeks is a safety net – an expensive one that can run a retiree up to almost \$6000/year in costs, a significant cost for retirees who find themselves essentially on fixed retirement incomes.

It is clear from the record that the Union's proposal only covers current employees and that it does not cover current retirees.

It is also clear that the Union's proposal relates to contractual insurance benefits, which are clearly subjects of bargaining in IL, and that it does not relate to pensions established in the Pension Code of IL. Such benefits have often been the subject of other interest arbitration awards.

Discussion:

In the undersigned's opinion the record does not conclusively demonstrate that a proposal to improve health insurance benefits for future retirees (who are current employees, which is how the undersigned construes the Union's proposal) is a non mandatory subject of bargaining or that it violates the IL Pension Code, particularly since has not been provided a citation of a higher court decision ruling that retiree health insurance benefits for current employees constitute pension benefits within the meaning of the Statute. Absent such evidence, the undersigned will address the merits of the parties' positions on this issue.

Although the undersigned is sensitive to and concerned about the ability of retirees on relatively fixed incomes to afford medical insurance of the type provided by the City, a number of factors require the undersigned to award the City's proposal on this issue. As was the case in the medical insurance issue discussed above, internal comparability clearly and strongly supports the City's position. Relatedly, in view of the fact that the undersigned has awarded the City's proposal on medical insurance for current employees, equity and practicality considerations do not support retention of Plan C only for future retirees, particularly where current retirees would also not be entitled to said benefit. Furthermore, external comparability evidence in this proceeding provides little support and/or justification for adoption of the Union's proposal.

While the undersigned acknowledges that under the City's proposal affected individuals may be hit hard by spiraling medical insurance and health care costs, that is not a situation unique to this relationship, and the record indicates that the City has made a number of good faith efforts to address this problem, particularly in its adoption of Plans B and D.

For all of the foregoing reasons, and again based upon the fact that this issue is clearly an economic one, the undersigned adopts the City's proposal on this issue.

HOURS AND OVERTIME/SHIFT BRIEFING

For many years the Department operated under a procedure in which some officers scheduled to work an oncoming patrol shift were picked up at home in a squad car by on duty officers in the patrol division. That procedure precluded any roll call/shift briefing at or before the start of each shift. Shift briefings were thus routinely delayed until the middle of the shift. During the course of the negotiations that preceded this interest arbitration proceeding, the parties agreed to eliminate the foregoing pick up procedure.

The Union proposes that a 10 minute shift briefing occur at the beginning of the regularly scheduled shift. If, after a period of one year, the City concludes that the shift briefing should occur outside the regularly scheduled shift, it shall so notify the Union and bargain over the subject. If an impasse occurs over said issue, the dispute shall be submitted to interest arbitration.

The City proposes to add a 10 minute shift briefing to the regular tour of duty, and to expand the lunch break from 30 to 40 minutes.

City Position:

The issue is non economic for purposes of this proceeding. Because of the City's proposed quid pro quo, there is no effect on officers' engaged time or compensation.

The parties' Agreement gives management the sole discretion to establish work schedules and to determine the starting and quitting time, and the number of hours to be worked.

Under the Union's proposal, if the City tried to reopen negotiations, shift briefing would be the only issue, and the City would have nothing to offer as a quid pro quo for a change in the work schedule.

The City's proposal will facilitate the interests and welfare of the public in that it will allow for a shift briefing at the beginning of a shift (affording officers valuable information) while officers from the prior shift are still patrolling.

The City's expanded forty minute lunch is more generous than all of the comparables except one. While operations in the comparables are a potpourri, on average comparable departments work a longer regular tour of duty with a pre shift briefing and a shorter lunch period than that offered by the City.

In contrast, the Union's proposal seeks to curtail management rights without any quid pro quo, and appears to be non-mandatory since the IPLRA, although allowing parties to agree upon alternative impasse procedures, designates them to be non-mandatory.

Furthermore, the Union's proposal does not even require the Union to bargain, mid-term, over a request by the City to re-open the contract for that limited purpose.

Union Position:

The City's proposal would essentially require employees to be on duty more than an additional 43 hours/year without additional compensation.

For those employers who believe a roll call must occur outside a regular eight-hour shift, extra compensation in the form of overtime is the practice.

Reason dictates that the parties experiment for a period of time with the new common starting time and the elimination of the drive in practice. The Union's proposal allows the City to resurrect the issue in a year if it believes that it is not working, and it further provides a dispute resolution procedure if the parties are unable to agree to an alternative arrangement.

Discussion:

With respect to the question whether this is an economic or non-economic issue, in the undersigned's opinion the issue is moot since the undersigned believes the Union's proposal merits a try at this time. In this regard, the record does not contain persuasive evidence that a roll call at the beginning of the shift would pose significant or insurmountable problems for the Department; indeed, it seems clear that such an arrangement would be a move in the right direction from the Department's perspective, in line with a good number of external comparables. Furthermore, the proposal contemplates that the parties will have an opportunity to revisit it at the City's request in a year, and in the event that the parties cannot reach agreement about changes in the arrangement the City desires, interest arbitration would be available to resolve disputes that might arise at that time. In the undersigned's opinion, if the City agrees to submit the issue to interest arbitration at that time the parties would have the right to arbitrate the question whether operational considerations justify a need for a change in the arrangement, and if so, the value (in terms of additional time off and/or compensation) that might accompany the rescheduling of the roll call. If the City does not believe that it would be required to submit such a dispute to interest arbitration at that time, unfortunately, the parties statutory rights in that regard would have to be litigated. Although the City makes a persuasive case that it should not have to fight this battle twice during the term of a single agreement, the undersigned does not believe that the effected employees, who have already made a major concession on a significant benefit of economic value (pick ups) should also have to report to work ten minutes earlier than under the status quo without at least attempting to find out to what extent the in shift roll call could be made to work effectively for both the Department and officers.

For all of the above reasons the undersigned will award the Union's proposal on this issue.

RESIDENCY:

Prior to 1997 the parties' Agreements required all unit employees to reside in a boot shaped territory that incorporated Pekin's 14.5 square miles plus the Villages of North Pekin, Marquette Heights and South Pekin, the southern half of the Village of Creve Coeur, Cincinnati Township, and part of Groveland, Elm Grove, and Spring Lake. In 1997 the parties agreed to require in City residency within 18 months for anyone hired after 5/1/97. These two arrangements continued in the parties' 2000-2003 Agreement.

After the IL Statute was changed in 1998 to subject disputes over residency to interest arbitration, in 2002 the City and the IAFF agreed to eliminate the two tiered residency requirement and reinstated the same geographic boundaries (which currently apply to police hired before 5/1/97) for all fire fighters represented by IAFF.

The City proposes eliminating the City residency requirement for employees hired after 5/1/97, and continuing to require that all employees maintain a residence within the geographic boundaries contained in the parties' Agreements prior to that date.

The Union proposes that all employees live within a twenty-mile radius of the City's Police Department.

City Position:

The City's 2002 Agreement with the IAFF is consistent with its proposal herein. In addition, all unrepresented employees and all Teamster represented employees are subject to a more stringent in City residency requirement. Thus, internal comparability, as well as equity, clearly favors the City's position.

The Union's proposal to expand residency to a six county area on either side of the IL River constitutes a major breakthrough, for which it offers no quid pro quo.

Most arbitration awards that have addressed this issue treated the issue as one of first impression, since prior to 1998 the issue was not a mandatory subject of bargaining. In contrast, the current residency requirements were the result of a 1997 bargain with the FOP, and more significantly, were retained in the parties' 2000-2003 Agreement, despite the fact the FOP could have arbitrated the issue.

The record also demonstrates that the Union's proposal would pose operational problems for the Department since it would result in commute times that would often exceed 20 minutes. In contrast, external comparables generally have in their residency requirements narrow boundaries outside the communities.

The record also contains no persuasive evidence that the boundaries proposed by the City are in any way inadequate for any legitimate purpose. The FOP has offered no evidence that existing boundaries provide Pekin police officers inadequate choices in residency.

Union Position:

IL arbitrators have routinely held that post 1998 residency bargaining is not a case where a breakthrough analysis controls (i.e. no quid pro quo is required to justify a change). (Citations omitted) Even if such an analysis is applied, the Union has offered a reasonable quid pro quo for its proposal.

The first is the give back the Union agreed to on the drive in benefit, which amounted to an economic loss for affected officers, who had to begin providing their own transportation to work. Relatedly, the City gained considerable operational time from officers who no longer had to pick up officers from the next shift during their shift.

The second is the parties' wage agreement. In this regard the Union has accepted a first year increase substantially less than that received by the City firefighters. Relatedly, the Union has offered to significantly increase their active employee insurance premium contributions without asking for a wage increase that would offset those contributions. Notable in this regard is the fact that the Union has accepted a wage increase over the life of the agreement that is considerably less than the comparable average, even though in 2003 Pekin officers trailed their comparable counterparts at each step of an officer's career. The same conclusions apply to 2004 and 2005.

The Union's willingness to increase its contributions to the costs of active employee health coverage is also part of the quid pro quo the Union has offered for relief on residency and retiree costs. For an employee making \$40,000, an increase in insurance contributions of \$50/month represents 1.5% of his total annual salary.

External comparability overwhelmingly supports an expansion of the City's residency requirement. The City should be bearing the burden of proof on this matter since it seeks to restrict the private lives of its employees and their families. (Citation Omitted)

The River boundary proposed by the City is not a legitimate consideration. Allowing officers to live on the other side of the River will not cause operational problems for the City. The City has not shown that it would not be able to respond to emergency situations if some of its workforce lived on the other side of the River. Indeed, in almost all circumstances, on duty personnel address emergencies, not off duty personnel.

The fact that the requirement has been previously negotiated does not mean that it was the result of bargaining on a level playing field.

Discussion:

There is not dispute that this issue is a non-economic one for purposes of this proceeding.

This arbitrator is of the opinion that residency restrictions, at least at this time, are reasonable and justifiable to the extent that they address legitimate operational considerations, and that it is the public employer's responsibility in disputes such as this to demonstrate the legitimacy of its' justifications for limiting employee choice in this regard.

Where, as here, the parties have previously negotiated the issue since the 1998 statutory amendments came into effect, arguably a party seeking modification of previously agreed upon residency restrictions also has a responsibility to demonstrate why such previously agreed upon restrictions should be changed. Here, to be quite candid, neither party has done a particularly good job in satisfying the aforementioned requirements.

The real issue before the undersigned appears to be whether unit employees should be allowed to live in Peoria County, across the river from Pekin. Although the record demonstrates that the City is reasonable in its desire to have unit employees live within a 20 minute commuting distance from where they report for duty, the City's rationale for prohibiting residence anywhere in Peoria County is not. Instead, it is clear from the record that the commute from certain portions of Peoria County is less than the commute from certain portions of the area that currently falls within the City's residency boundaries. The fact that bridges connect the two counties and that a river divides them does not, in the undersigned's opinion, undermine the conclusion that more than 99% of the time, the commuting time of individuals living within a 10 mile radius of the Department's headquarters, in Peoria County, south of 474, would result in a shorter commute than some individuals experience who reside in the outskirts of the City's current residency boundaries. While indeed there may be extraordinary emergencies that might affect commuting time, it is also likely that similar emergencies (accidents and weather related emergencies) might affect commuting time of individuals residing within the City's current boundaries.

Although internal comparability supports the City's position on this issue, the undersigned does not believe that it merits the same weight given to the same factor in determining the merits of the parties' proposals on health insurance. There, the impact and inter relationship between all City employees and the benefits were indisputable; here, a persuasive case has not been made that the absolute residency prohibitions in Peoria County are related to legitimate operational concerns, and no other compelling argument has been made why the City's historical residency restrictions need to be maintained.

With respect to the question whether the Union has demonstrated persuasively why residency boundaries should be changed, although no case has been made that the current requirements pose a hardship on any effected employees, the Union has evidenced the importance of the issue to at least some unit employees by the emphasis it has given to the issue in this proceeding and the efforts it has made in negotiations to grant concessions that might be characterized as a quid pro quo for the relief it seeks on this issue. In this regard, the Union has agreed to a wage package that can fairly be

characterized as relatively modest, and has made a significant economic concession when it agreed to abandon the pick up policy that has been in place for a number of years without a significant quid pro quo.

Based upon all of these considerations, and the fact that it is undisputed that the issue is not an economic issue for purposes of this proceeding, the undersigned will award partial relief to the Union in this regard, namely, an extension of the current boot shaped residency boundaries, to be applied to all employees, to include a 10 mile radius from the City's Municipal Building, west, south, and north, in Peoria County, up to Interstate 474, which should result in commuting times of about 15 minutes or less.

Based upon all of the foregoing considerations the undersigned hereby renders the following:

INTEREST ARBITRATION AWARD

The parties' successor collective bargaining agreement shall contain all previously agreed upon items, the City's proposal regarding medical insurance for current employees and future retirees, the Union's proposal on roll calls, and the compromise residency proposal fashioned by the undersigned in the discussion above.

Dated this 30th day of October, 2004 at Chicago, IL 60640

Byron Yaffe
Arbitrator