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BEFORE
EDWIN H. BENN
ARBITRATOR

In the Matter of the Arbitration

between

CITY OF COUNTRYSIDE, ILLINOIS

and

ILLINOIS FRATERNAL ORDER OF
POLICE LABOR COUNCIL

CASE NO.: Arb. Ref. 02.263
(Interest Arbitration -
Bargaining Unit B
Desk and Desk/Records
Officers)

S-MA-03-201

OPINION AND AWARD

APPEARANCES:

For the City: Nick A. Cetwinski, Esq.

For the FOP: Kevin P. Camden, Esq.

Date of Award: November 5, 2003

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I. BACKGROUND

This is an interest arbitration under Section 14 of the IPLRA resulting from the parties' impasse on wages, insurance and longevity in Bargaining Unit B covering Desk Officers and Desk/Records Officers.¹

The parties' prior Agreement expired April 30, 2001. Tr. 6; City Exhibit Book I at Tab 1, Section 27.1.

The parties reached a number of tentative agreements on other issues. Stipulations at p. 2. As agreed by the parties, all prior tentative agreements are incorporated by reference as part of this award.

II. THE COMPARABLE COMMUNITIES

Section 14(h)(4) of the IPLRA states that "comparable communities" should be considered in resolving these disputes. The parties agreed that Clarendon Hills, LaGrange, Lyons, North Riverside, Riverside, Western Springs and Willowbrook are comparable to Countryside. Stipulations at p. 5; City Ex-

hibit Book I at Tab 1; FOP Brief at 7; City Brief at 3. The City seeks to include Brookfield and Hodgkins in that list of comparable communities. *Id.* The FOP disagrees. *Id.*

In *City of Countryside and Illinois Fraternal Order of Police Labor Council*, S-MA-92-155 (1994) at 5-18, I found that Clarendon Hills, LaGrange, LaGrange Park, Lyons, North Riverside, Riverside, Western Springs and Willowbrook were comparable to Countryside. Thus, taking the parties' positions on comparables and considering my prior award, the parties have agreed to use the prior communities I found comparable to Countryside (with the exception of LaGrange Park) and are in dispute over whether Brookfield and Hodgkins should be included in the list.

The question then is whether Brookfield and Hodgkins should be added to the list of communities (less LaGrange Park) I found comparable in 1994? The FOP deserves the benefit of the doubt. For reasons discussed below, even if I excluded Brookfield and Hodgkins from the list of comparables as the FOP urges, the FOP's positions

¹ The parties waived the tri-partite panel for this proceeding. Stipulations at p. 6.

would not prevail on the issues in dispute. I will therefore accept the parties' stipulated comparable communities for this case and exclude Brookfield and Hodgkins as the FOP argues. For purposes of this case and not deciding whether Brookfield and Hodgkins are comparable to Countryside, the communities comparable to Countryside will therefore be Clarendon Hills, La-Grange, Lyons, North Riverside, Riverside, Western Springs and Willowbrook.

III. RESOLUTION OF THE DIS- PUTED ISSUES

A. Wages

The FOP proposes an equity adjustment for the incoming wage rate along with a 3% increase effective August 1, 2001 and a 4% increase effective August 2, 2002. FOP Exhibit Book II at Tab 17; FOP Brief at 11. The City proposes an equity adjustment of deleting the "after 6 mos." step and moving the rate to the incoming step of the wage schedule; a 3.25% increase effective August 1, 2001 and a 4% increase effective August 1, 2002. City Ex-

hibit Book I at Tab 4; City Brief at 10.

1. External Comparability

As earlier noted, Section 14(h)(4) of the IPLRA states that "comparable communities" should be considered.

The City takes strong issue with the FOP's data on the comparables. See City Brief at 11 ("It is the City contention that relevant data provided by the FOP is without merit"). In the end, I need not get into a discussion concerning the validity of the data. To give the FOP further benefit of the doubt, I will accept its data at face value.

Taking the FOP's data compiled for this case, the existing wages, impact of the parties' wage offers, wages paid in comparable communities and resultant rankings show the following (FOP Exhibit Book II at Tabs 19-23)²:

² For those communities on the charts with blank fields, no data were provided.

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2001 RANKINGS

Start	1 Yr.	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	Top
Lyons	Riverside	Riverside	Lyons	Lyons	Lyons	Lyons	Lyons
CtysideU	CtysideU	CtysideU	Riverside	Riverside	Riverside	Riverside	Riverside
Ctyside	Lyons	Lyons	N. Rside	CtysideU	CtysideU	CtysideU	CtysideU
Riverside	Ctyside	Ctyside	CtysideU	N. Rside	N. Rside	N. Rside	N. Rside
LaGrange	N. Rside	N. Rside	Ctyside	Ctyside	Ctyside	Ctyside	Ctyside
N. Rside	W.Spring	W.Spring	W.Spring	W.Spring	W.Spring	LaGrange	LaGrange
W.Spring						W.Spring	W.Spring

2002 WAGES

Town	Start	1 Yr.	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	Top
Clarendon Hills	29426	30658	43718	43718	43718	43718	43718	43718
Countryside (U)	29549	32237	39591	40346	41901	41901	41901	41901
Countryside	28727	30468	37840	38597	39369	40156	40156	40156
LaGrange	27769						38173	38173
Lyons	30644	32109	38744	43414	44053	44691	44691	44691
North Riverside	25750	28510	37461	40123	41327	41327	41327	41327
Riverside	27394	35596	41031	42246	42246	42246	42246	42246
Western Springs	24947	25695	28290	32550	32550	32550	32550	32550
Willowbrook	29426	30658	43718	43718	43718	43718	43718	43718

2002 RANKINGS

Start	1 Yr.	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	Top
Lyons	Riverside	C. Hills	C. Hills	Lyons	Lyons	Lyons	Lyons
CtysideU	CtysideU	W. Brook	W. Brook	C. Hills	C. Hills	C. Hills	C. Hills
C. Hills	Lyons	Riverside	Lyons	W. Brook	W. Brook	W. Brook	W. Brook
W. Brook	C. Hills	CtysideU	Riverside	Riverside	Riverside	Riverside	Riverside
Ctyside	W. Brook	Lyons	CtysideU	CtysideU	CtysideU	CtysideU	CtysideU
LaGrange	Ctyside	Ctyside	N. Rside				
Riverside	N. Rside	N. Rside	Ctyside	Ctyside	Ctyside	Ctyside	Ctyside
N. Rside	W.Spring	W.Spring	W.Spring	W.Spring	W.Spring	LaGrange	LaGrange
W.Spring						W.Spring	W.Spring

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Based on the data supplied by the FOP (and again, putting aside the City's objection to that data), I find that external comparability does not support the FOP's position.

Close examination of the FOP's data charted above shows the following with respect to movement in the rankings:

MOVEMENT IN RANKINGS

Year/Party/Rank	Start	1 Yr.	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	Top
2000	3	3	4	4	4	4	4	4
2001 - FOP	2	2	2	4	3	3	3	3
2001 - City	2	3	3	4	4	4	4	4
2002 - FOP	2	2	4	5	5	5	5	5
2002 - City	4	5	5	6	6	6	6	6

This chart leads to two obvious conclusions:

First, that with the exception of one category (10 years), for 2001 the FOP's offer moves its rank up in all other categories compared to 2000 with respect to the other comparable communities for which the FOP supplied data. According to the FOP's data, the City's offer, on the other hand, moved the employees up in two categories (start and five years); and remained the same in the other categories.³ Thus, for

2001, by the FOP's data, the City's offer either maintained or improved the employees' positions with respect to other comparable communities for which the FOP supplied data.

Second, 2002 is a different story. The FOP's offer moved the employees up in two categories when com-

[continuation of footnote]

fer places the employees in a category, the other party's offer must be excluded. For example, in 2001 at 10 years, the City's offer appears fifth down on the chart. But, because the rankings are compared to the other comparable communities and not to the other party's offer, the City's offer places it fourth in the rankings (as does the FOP's).

³ Closely look at the rankings charts for the offers. When ascertaining where an of-
[footnote continued]

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pared to 2000 (start and one year), maintained its position in one category (five years) and moved down in five categories (10, 15, 20, 25 and top). The City did not fare as well. According to the FOP's data, the City's offer moved the employees down in all categories.

What all this means is that for 2001, the FOP's offer for the vast majority moved the employees up in the rankings, while the City's offer for that year maintained the employees' rankings or moved them up in some rankings. Further, for 2002, the FOP's offer moved the employees up in two categories, maintained in one category and moved down in five, while the City's offer moved the employees down.

But, this is a package. I cannot pick one year's offer for one party and another year's offer for the other — I can only select one party's final offer.⁴ Because of the skewered re-

⁴ See Section 14(g) of the IPLRA ("As to each economic issue, the arbitration panel shall adopt the *last offer* of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors presented in subsection (h)" [emphasis added]). See also, Stipulations at pp. 5-6, ¶2 ("The parties agree that the
[footnote continued]

sults in the two years — both offers being more favorable for the employees in one year and less favorable in the other — neither offer stands out when compared to the comparable communities justifying its selection. Thus, even accepting the FOP's data over the City's objection, external comparability is therefore a wash and does not assist in the selection of an offer.⁵

[continuation of footnote]

Arbitrator shall have the full authority ... to adopt within the Decision and Award either the final offer of either party or an independent compromise developed by the Arbitrator, as to each issue in dispute *not* of an 'economic' nature") [emphasis added]. Wage offers are obviously "economic" which the parties agreed I cannot modify.

⁵ I recognize that accepting the FOP's data shows that adoption of the City's offer (and to a lesser degree, the FOP's offer) will, at the end of 2002, place the employees in a less advantageous position than they were in 2000 in the set of comparable communities. However, for purposes of this discussion, that conclusion does not change the result with respect to the external comparability factor. Again, this is a package. I can only accept one party's offer on wages and diametrically opposed results for the two years in issue do not require that I select the FOP's offer. The parties will have to address where the employees end up (and perhaps clear up their dispute concerning the data) in their discussions for the 2003 wage rates — an issue that is not before me in this case.

2. Internal Comparability

Section 14(h)(4) of the IPLRA states that internal comparability should also be considered — *i.e.*, comparison of the affected employees with other employees in the City.

There are three bargaining units represented by the FOP. Bargaining Unit A covers Patrol Officers; Bargaining Unit B (this unit) covers the Desk Officers and Desk/Records Officers; and Bargaining Unit C covers Lieutenants and Sergeants.

The parties stipulated that in Bargaining Unit A, Patrol Officers received a compressed wage schedule with a 2.0% increase effective August 1, 2001 and an additional 4.0% effective August 1, 2002. Stipulations at p. 4, ¶2(a). The parties further stipulated that Sergeants in Bargaining Unit C received a compression and a 3.0% increase effective August 1, 2001 and an additional 4.0% effective August 1, 2002. *Id.* at ¶2(b). Further, Lieutenants in Bargaining Unit C received a 3% increase effective August 1, 2001 and a 4% increase effective August 1, 2002. *Id.* at ¶2(c).

In this case, for Bargaining Unit B covering the Desk Officers and Desk/Records Officers, the FOP asserts that its offer is 3% effective August 1, 2001 and 4% effective August 1, 2002. FOP Exhibit Book II at Tab 17; FOP Brief at 11. In terms of the stated percentages, the increases the FOP seeks is commensurate with the increases given to the sworn personnel in Bargaining Units A and C. Looking closer at the FOP's percentage offer, it is actually *lower* than the City's offer in the first year. Again, the FOP seeks 3% effective August 1, 2001 and 4% effective August 1, 2002, while the City's offer is 3.25% effective August 1, 2001 and 4% August 1, 2002.

But how is it that the FOP's offer which is .25% lower than the City's offer in the first year drives its rankings in the comparables so much higher than the City's proposal? The answer is in what the parties have described as "equity adjustments".

The FOP's offer provides for an equity adjustment and then adds on the percentage increases of three and four percent. Comparing the wages earned as of 2000 and then

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adding the equity adjustment and the added 3% for the FOP's first year offer yields the following (*compare*

Section 14.1 of the Agreement with FOP Exhibit Book II, Tab 20):

Yr./Proposal/%	Start	1 Yr.	5 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.	25 Yrs.	Top
2000 Wages	25864	28374	35239	35944	36663	37396	37396	37396
2001 FOP proposed wages	28412	30997	38068	38794	40290	40290	40290	40290
Percentage increase over 2000	9.85%	9.24%	8.03%	7.93%	9.89%	7.74%	7.74%	7.74%

Thus, in reality, the FOP's first year offer is not 3%. Rather, after the FOP's equity adjustment is computed into that first year offer, the FOP's offer actually varies between 7.74% and 9.89% depending on an employee's years of service. Compared to what other employees received — *i.e.*, the sworn officers in Bargaining Units A and C (with raises on a percentage basis from 2% to 4%), the FOP's offer more than doubles and in some cases more than quadruples the percentage increases received in those other units. The City's offer in this unit is essentially the same — or certainly closer to — percentage increases given to the other bargaining units.

What this analysis shows is that in terms of internal comparability, the City's offer is more in line with the increases given to other employees. This factor favors the City's offer.

3. Cost Of Living

Section 14(h)(5) of the IPLRA states that cost of living should be considered. It goes without much analysis that a wage offer in the first year which is between a 7.74% and 9.89% increase and then followed by a 4% wage offer for the second year far exceeds the cost of living increases for the years 2001 and

2002.⁶ The City's offer of an equity adjustment at a point in the entry level with 3.25% and 4% increases for those years either exceeds increases in the cost of living or is more consistent with those cost of living numbers for those years. This factor favors the City's offer.

4. Conclusion On The Parties' Wage Offers

In sum, I have wage offers which in terms of external comparability is a wash; in terms of internal comparability favors the City's offer; and in terms of cost of living also favors the City's offer.

On balance, I find that the City's wage offer must be selected.

B. Insurance

In its final offer the City proposed the following for insurance (City Exhibit Book I; City Brief at 8):

⁶ The U. S. Department of Labor, Bureau of Labor Statistics website for the Consumer Price Index (CPI-U) for 2000, 2001 and 2002 shows the following:

YEAR	PERCENT CHANGE	
	Dec-Dec	Avg-Avg
2000	3.4	3.4
2001	1.6	2.8
2002	2.4	1.6

HEALTH:

4. Provide a 5% monthly health insurance premium contribution rate paid by the employee, effective October 16, 2002, as within other departments and sworn peace officers, provided, however, if other City employees (e.g. Operating Engineers) commence paying at a later date than October 16, 2002, all Fraternal Order of Police bargaining unit employees will not pay for insurance until such time as all employees pay an insurance co-pay.
5. Increase present maximum exposure the City pays for retiree health insurance from the present \$100 monthly (\$1,200 annually), effective October 16, 2002, as within other departments and sworn peace officers.
6. Establish an "insurance advisory committee" to audit and review health insurance costs, benefits and cost containment.

In its final offer, the FOP proposed the following for insurance (FOP Exhibit Book II at Tab 17; FOP Brief at 12):

2. Insurance

5% contribution for all coverage levels, not to start until 16 Oct 02, provided all employees begin contributing at this time, if not, employees would receive a credit for all contributions prior to the date all employee begin paying a contribution

As part of the contribution plan, the City would re-institute an "insurance advisory committee",

composed of selected bargaining unit members, as well as other City employees, to meet on an ad hoc basis to discuss insurance issues, including proposed premium cost, changes (if any) proposed to the plan, as well as any other relevant insurance related information.

At the hearing, the parties agreed there were no longer disputes concerning retirement insurance coverage and the insurance advisory committee. Tr. 5.

The City maintains there is no longer a dispute between the parties on the insurance issue. See City Brief at 9-10, 18. The FOP's post hearing position focuses on comparability arguments and the assertion that under the City's proposal "... no differentiation is made for single, 'single +' or family premiums." The FOP also argues (FOP Brief at 25) that it considers the employees in this unit underpaid and a 5% premium disproportionately affects any insurance contribution. At the hearing, the FOP argued there was a dispute concerning co-pay. Tr. 5 ("If you institute some kind of insurance co-pay, whatever the number would be would be for discussion in the group. It is just the establishment of the committee we are agreeing

to"). Thus, when all the smoke clears, there is a dispute on insurance that needs to be resolved.

Insurance costs are skyrocketing which makes bargaining on this issue border on the impossible.⁷ However, whatever crisis exists in how to pay for health care and how to prevent almost out of control health care costs from substantially eating up wage increases that are typically lower in a non-inflationary economy, and no matter how the external comparables are treated, I find that for purposes of this case,

⁷ See e.g., Freudenheim, "Workers Feel Pinch of Rising Health Costs" from the New York Times (October 22, 2003):

As health care costs head into a fourth consecutive year of double-digit increases, employers are shifting a growing share of the burden onto people who make the heaviest use of medical services.

The trend — evident as companies begin informing workers of their benefit choices for the coming year — takes the form of fast-rising co-payments and deductibles, higher payroll deductions to cover spouses and children and new kinds of health plans that give workers a fixed sum to spend.

On average, the annual out-of-pocket costs for employees of large companies have more than doubled since 1998, to \$2,126 this year ... [and] expecting a 22 percent jump next year, to \$2,595.

internal comparability determines this issue.

According to the City (and as shown by its offer), after describing the insurance benefits in the other City bargaining units (Tr. 8):

We basically agreed with these people that the insurance contribution rate will be treated equally. If subsequent negotiations result in a change, the change will retroactively be applied to the rest.

The employees in this unit are being asked to pay what the employees in the other City bargaining units pay. Given the crisis in this area, in the scope of things, a 5% requirement under the terms urged by the City is reasonable.

The City's offer is accepted.

C. Longevity

The FOP seeks a longevity stipend for the employees as follows (FOP Exhibit Book II at Tab 17):

3. Longevity Stipend

City will credit all employees who work for the City of Countryside for at least twenty (20) years, upon retirement, with \$500 per year cash longevity stipend for dedicated service.

The City opposes institution of a longevity stipend for these employees. City Brief at 20-22.

The City raises a threshold jurisdictional question on this issue arguing that the benefit sought by the FOP is for retired former employees and an individual in this category is not a "public employee", therefore concluding that this issue is not a "term or condition of employment" which can be resolved through this process. City Brief at 20. Because I do not adopt the FOP's offer on this issue, I need not address the jurisdictional question raised by the City.

The FOP's rationale for seeking this new benefit for the employees points to the fact that members of the sworn units receive a longevity bonus and also points out that any increased insurance contributions made by the employees impacts and diminishes their wage increases. FOP Brief at 25-26.

The FOP is correct that sworn personnel in the Patrol Officers and Lieutenants and Sergeants Units receive a longevity benefit. See the Patrol Officers Agreement at Section 14.3 (FOP Exhibit Book I at Tab 10):

Section 14.3: Longevity Benefit

In addition to the salary amounts set forth in Section 14.1 of this Agreement, eligible officers, em-

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ployed as of August 1, 2001 and thereafter, shall be paid the following longevity amounts which shall be considered part of the base salary attached to their rank for all purposes: \$800.00 effective August 1, 2001; \$850 effective August 1, 2002. In order to receive this longevity benefit, the following conditions must be met:

- a. The officer must have twenty (20) years of service with the City of Countryside Police Department.
- b. The officer must be pension eligible, as set forth by statute; and,
- c. The officer must designate a pay period in which to receive the longevity increase for either of the following two (2) election periods: January 1st to January 15th; or July 1st to July 15th,
- d. In the event the officer fails to select either of the above election periods, the Employer shall issue the longevity stipend on the last payroll period in December of each calendar year, retroactive to August 1, 2001, for all eligible officers in the bargaining unit as of that date.

The foregoing longevity stipend shall only occur for that payroll period affected and shall not increase the value of any accumulated or accrued benefits of the officer which may be payable.

The Lieutenants and Sergeants Agreement at Section 14.3 mimics the above provision. FOP Exhibit Book I at Tab 11.

According to the parties, this benefit for the other units was instituted in the most recent negotiations. See Stipulations at p. 4, ¶2(e) ("For all sworn peace officers within the Department, a 'longevity' award was instituted in the amount of \$800 (eff. Aug. 1, 2001/\$850 (eff. Aug. 1, 2002).

The FOP's argument that other employees receive a longevity benefit and that the insurance increases diminish the wage increases is at first very appealing. Internal comparability under Section 14(h)(4) of the IPLRA and the factor of "[t]he 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" under Section 14(h)(6) of the IPLRA at first blush tilt this issue towards the FOP's position.

However, while the initial reaction to this issue is to award the benefit as the FOP asks, closer examination of the specific benefit

sought by the FOP requires that it be rejected.

First, the benefit sought by the FOP for these employees is not the same as the one given to the sworn personnel. The longevity benefit the FOP seeks is a one time disbursement at retirement of \$500 per year multiplied by the number of years of service for those employees who have 20 years or more of service. That means that an employee retiring with 25 years of service would receive \$12,500 upon retirement. The longevity benefit given to the sworn personnel is paid in \$800 (or \$850) payouts *once per year* for officers who have worked over 20 years and meet the other eligibility qualifications. Thus, under the FOP's proposal, an employee in this unit who has 25 years of service and who retired in 2002 receives \$12,500 while a member of the sworn personnel units with the same length of service who retired in 2002 would only receive \$1,650 (\$800 for 2001 and \$850 for 2002). The benefit sought by the FOP is not the same as the benefit achieved in the sworn units.

Second, the concept of longevity is a means for rewarding long service and for defraying other increased costs to the employees such as insurance. However, in the form proposed by the FOP, this is a major break through item for this bargaining unit and, while arbitrators are sometimes reluctant to grant such break through benefits, there must be a strong showing that the break through item of this magnitude is required. Here, the potential huge lump sum payouts for longevity sought by the FOP far exceed any increased costs the employees in this unit have been asked to bear. Perhaps in future negotiations the employees can achieve the concept of longevity and build on it in the years following. But, in this case, the enormity of the longevity benefit sought is simply not justifiable.

Third, again turning to the cost of living factor as discussed in III(A)(3, there is simply no justification for such an enormous benefit to be imposed when the cost of living does not justify such an increase.

The City's position is therefore adopted.

IV. AWARD

The City's offers are adopted on the disputed issues.

As agreed by the parties (Stipulations at p. 6-7), I will retain jurisdiction with regard to final implementation of this award.



Edwin H. Benn
Arbitrator

Dated: November 5, 2003