

**BEFORE  
EDWIN H. BENN  
ARBITRATOR**

DEC 13 2004

**In the Matter of the Arbitration**

**between**

**COUNTY OF EFFINGHAM AND SHERIFF  
OF EFFINGHAM COUNTY**

**and**

**AFSCME COUNCIL 31**

**CASE NOS.:** S-MA-03-264  
AFSCME No. 03-12-22972  
Arb. Ref. 04.183  
(Interest Arbitration)

**OPINION AND AWARD**

**APPEARANCES:**

For the County: Andrew J. Martone, Esq.

For the Union: Scott D. Miller, Esq.

Date of Award: December 8, 2004

**CONTENTS**

I. BACKGROUND .....	3
II. THE PARTIES' FINAL OFFERS .....	3
A. Wages .....	3
1. The County.....	3
2. The Union .....	3
B. Insurance.....	4
1. The County.....	4
2. The Union .....	4
C. Additional Pay For Telecommunicators .....	4
1. The County.....	4
2. The Union .....	4
III. DISCUSSION .....	5
A. The Statutory Factors .....	5
B. The County's Motion To Supplement The Record And Post Hearing Brief .....	6
C. The Comparable Communities .....	7
D. The Specific Offers .....	8
1. Wages.....	8
a. External Comparability.....	8
1. Pay Rates Of The Comparables .....	8
2. Rankings Of The Comparables .....	9
3. Rankings After Application Of The Proposed Wage Increases .....	11
b. Internal Comparability .....	14
c. Cost Of Living.....	16
d. Conclusion On The Wage Offers.....	16
2. Insurance .....	17
a. External Comparability.....	17
b. Internal Comparability .....	20
c. Cost of Living.....	20
d. Conclusion On Insurance .....	22
3. Additional Pay For Telecommunicators .....	22
a. External Comparability.....	23
b. Cost of Living .....	24
c. Conclusion On Additional Pay For Telecommunicators.....	24
IV. AWARD .....	24

## **I. BACKGROUND**

This is an interest arbitration under Section 14 of the Illinois Public Labor Relations Act ("Act"). AFSCME Council 31 ("Union") represents non-sworn personnel including Correctional officers and Telecommunicators under a collective bargaining Agreement ("Agreement") with the County of Effingham and the Sheriff of Effingham County ("County" or "Effingham") which expired August 31, 2003.<sup>1</sup> This proceeding is the result of the parties' impasse on three issues — (1) wages, (2) insurance and (3) an additional pay increase for the Telecommunicators.<sup>2</sup>

## **II. THE PARTIES' FINAL OFFERS**

The parties' final offers on the issues in dispute are as follows:<sup>3</sup>

### **A. Wages**

#### **1. The County**

9/1/03 - 3%

9/1/04 - 3%

9/1/05 - 3%

#### **2. The Union**

9/1/03 - 3.5%

9/1/04 - 3.75%

9/1/05 - 4%

---

<sup>1</sup> Joint Exh. 1 at Articles 1.1 and 25. The County and the Sheriff are considered a joint employer and will be referred to in the singular as the "County" or "Effingham". *Id.* at Article 1.1.

<sup>2</sup> The parties have come to terms on the other provisions for the new Agreement. Tr. 3. The parties waived the tri-partite panel referred to in Section 14(b) of the Act for this proceeding. *Id.*

<sup>3</sup> Joint Exh. 2; Union Brief at 5-6; County Brief at 2.

**B. Insurance**

**1. The County**

- a. The County pays the first \$350 of the monthly premium for individual coverage.
- b. For premium costs in excess of \$350 per month, the County will pay 50% of the premium overage and the employees will pay 50% of the overage.
- c. The employee's contribution would be capped at \$20 per month for the first year of the Agreement; \$25 per month for the second year of the Agreement; and \$30 per month for the third year of the Agreement.
- d. The employees' contributions will not be retroactive.

**2. The Union**

The Union seeks to maintain the *status quo* — i.e., that the County is required to pay 100% of the employee insurance premium costs.

**C. Additional Pay For Telecommunicators**

**1. The County**

No additional wage increases (beyond scheduled wage increases) for Telecommunicators.

**2. The Union**

An additional catch-up wage increase for Telecommunicators of \$.50 per hour (equal to \$1,040 per year) beyond the scheduled wage increases in each year of the Agreement.

### **III. DISCUSSION**

#### **A. The Statutory Factors**

Section 14(h) of the Act lists the following factors for consideration in interest arbitrations<sup>4</sup>:

(h) Where there is no agreement between the parties, ... 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) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:

(A) In public employment in comparable communities.

(B) In private employment in comparable communities.

(5) The average consumer prices for goods and services, commonly known as the cost of living.

(6) The overall compensation 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 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.

---

<sup>4</sup> Statutory factors not specifically addressed in the discussion of the issues *infra* at III(D) are found not to change the result.

**B. The County's Motion To Supplement The Record And Post Hearing Brief**

Before getting to the merits of the issues, I have to address the County's Motion To Supplement The Record And Post Hearing Brief dated September 16, 2004 and opposed by the Union by submission dated September 28, 2004.

Essentially, in its motion the County requests that I take notice that during the pendency of these proceedings, the County settled a new contract with the Fraternal Order of Police ("FOP") for sworn personnel. More specifically, the County wants me to consider that on August 31, 2004, the FOP agreed to the County's insurance proposal which is identical to the one proposed by the County in this matter.<sup>5</sup>

The County's motion will be granted.

First, Section 14(h)(7) of the Act calls for consideration of "[c]hanges in any of the foregoing circumstances during the pendency of the arbitration proceedings." Internal comparability is a factor under Section 14(h)(4). During the pendency of this proceeding, the County and the FOP agreed to a change for insurance benefits and wages in another bargaining unit. Under the Section 14(h)(7), I therefore can consider those changes.

Second, from a practical standpoint, it would be very difficult for me to ignore what happened in the sworn personnel bargaining unit. With knowledge of the parties in this matter, I was the arbitrator and mediator for the contract between the County and the FOP.<sup>6</sup> While a mediator who changes hats from mediator to arbitrator can easily ignore positions taken by parties during off

---

<sup>5</sup> County Motion at Exh. A, p. 2.

<sup>6</sup> Indeed, at the hearing in this matter, reference was made to the fact that I was the selected interest arbitrator in the sworn personnel unit. Tr. 8 ("And you will hear exactly the same position on the issues at least from the county's perspective in that arbitration").

the record mediation sessions in unsuccessful efforts to settle contracts as they return to their original positions for the arbitration, the result of the mediation I participated in between the County and the FOP was the successful agreement which then became a matter of public record. As a practical matter, I cannot pretend that it did not happen — I was there; a contract was reached; and the terms of that agreement are in the public domain.

Third, but along with the consideration given to what the FOP agreed to concerning insurance which the County wants me to consider, I also note that the County and the FOP agreed to annual wage increases in a four year contract of 3%, 4%, 3% and 3% commencing September 1, 2003.<sup>7</sup> By granting the motion, I will not consider just the insurance aspects of the sworn personnel contract — I will also consider their new wage rates.<sup>8</sup>

### **C. The Comparable Communities**

Section 14(h)(4)(a) of the Act looks for comparisons of comparable communities — *i.e.*, external comparability. The parties agreed on the comparability of the following counties with Effingham<sup>9</sup>:

Christian  
Clinton  
Coles  
Crawford  
Fayette  
Franklin  
Jefferson  
Macoupin  
Marion  
Montgomery  
Morgan  
Saline

---

<sup>7</sup> County Motion at Exh. A, p. 1.

<sup>8</sup> See discussion *infra* at III(D)(1)(b).

<sup>9</sup> Joint Exh. 2 at 1; County Brief at 8-10; Union Brief at 3.

Shelby  
Washington

The County argues that comparisons should also be made to Clay and Cumberland Counties.<sup>10</sup> The Union opposes consideration of those counties.<sup>11</sup>

For the sake of discussion and to give the Union and the employees the benefit of doubt, for purposes of this case only (and without precedent for future similar disputes), I will accept the Union's proposed external comparable counties and therefore exclude Clay and Cumberland Counties from consideration.

#### **D. The Specific Offers**

##### **1. Wages**

Commencing September 1, 2003, the Union seeks annual wage increases of 3.5%, 3.75% and 4%. The County argues for 3% increases each year.

##### **a. External Comparability**

##### **1. Pay Rates Of The Comparables**

According to the data, the pay rates for the comparable counties and Effingham show the following<sup>12</sup>:

---

<sup>10</sup> *Id.*

<sup>11</sup> Union Brief at 3.

<sup>12</sup> Union Brief at 4-5; County Brief at 9-10. *See also*, Joint Exh. 2. With the exception of the County, the wage rates for the comparable counties used in this analysis are rates in effect prior to December 1, 2003. Joint Exh. 2 at 1. The rates used for the County are those in effect as of September 1, 2002. *Id.* Further, the Union's Brief at 4 shows Shelby County with starting annual rate for Correctional Officers as \$22,505. That is apparently a typographical error. Joint Exh. 2 shows that rate as \$24,456. 22,505 is the population of Shelby County. *Id.*

The Telecommunicators wage rates came from a survey conducted by the Union. Union Exh. 1. According to that survey, Telecommunicators in Shelby County are paid the same as Correctional Officers. *Id.* *See also*, Union Brief at 5 ("Shelby ... Paid same as Correction Officers"). The Shelby County Correctional Officers rates have therefore been used for that county's Telecommunicators.

**TABLE 1 — PAY RATES**

County	Correctional Officers Starting Salary	Correctional Officers Maximum Salary	Telecommunicators Starting Salary	Telecommunicators Maximum Salary
Christian	31,991	32,890	29,840	n/a
Clinton	32,573	39,150	n/a	n/a
Coles	25,657	42,136	n/a	n/a
Crawford	23,355	36,193	24,155	37,366
<b>Effingham</b>	26,004	35,592	22,272	25,716
Fayette	21,147	32,583	22,099	34,049
Franklin	22,122	29,122	22,122	29,122
Jefferson	25,664	31,726	n/a	n/a
Macoupin	32,405	34,385	n/a	n/a
Marion	24,386	30,609	21,162	26,161
Montgomery	32,343	34,682	32,323	34,361
Morgan	20,263	29,117	20,263	29,117
Saline	21,247	28,358	21,247	28,358
Shelby	24,456	25,955	24,456	25,955
Washington	25,646	31,886	n/a	n/a

**2. Rankings Of The Comparables**

Based on the above data, the County ranks with respect to the comparables as follows:

**TABLE 2 - CORRECTIONAL OFFICERS STARTING SALARY**

County	Correctional Officers Starting Salary
Clinton	32,573
Macoupin	32,405
Montgomery	32,343
Christian	31,991
<b>Effingham</b>	26,004
Jefferson	25,664
Coles	25,657
Washington	25,646
Shelby	24,456
Marion	24,386
Crawford	23,355
Franklin	22,122
Saline	21,247
Fayette	21,147
Morgan	20,263

**TABLE 3 - CORRECTIONAL OFFICERS MAXIMUM SALARY**

<b>County</b>	<b>Correctional Officers Maximum Salary</b>
Coles	42,136
Clinton	39,150
Crawford	36,193
<u>Effingham</u>	35,592
Montgomery	34,682
Macoupin	34,385
Christian	32,890
Fayette	32,583
Washington	31,886
Jefferson	31,726
Marion	30,609
Franklin	29,122
Morgan	29,117
Saline	28,358
Shelby	25,955

**TABLE 4 - TELECOMMUNICATORS STARTING SALARY**

<b>County</b>	<b>Telecommunicators Starting Salary</b>
Montgomery	32,323
Christian	29,840
Shelby	24,456
Crawford	24,155
<u>Effingham</u>	22,272
Franklin	22,122
Fayette	22,099
Saline	21,247
Marion	21,162
Morgan	20,263
Clinton	n/a
Macoupin	n/a
Jefferson	n/a
Coles	n/a
Washington	n/a

**TABLE 5 - TELECOMMUNICATORS MAXIMUM SALARY**

County	Telecom- municators Maximum Salary
Crawford	37,366
Montgomery	34,361
Fayette	34,049
Franklin	29,122
Morgan	29,117
Saline	28,358
Marion	26,161
Shelby	25,955
<u>Effingham</u>	25,716
Christian	n/a
Coles	n/a
Clinton	n/a
Macoupin	n/a
Washington	n/a
Jefferson	n/a

The County's Correctional Officers are therefore fifth from the top of the 15 counties at the starting salary level (Table 2) and fourth from the top of the 15 counties at the maximum salary level (Table 3). Further, based on the above, the Telecommunicators are fifth from the top of the ten counties that have such positions at the starting salary level (Table 4) and last of the ten counties at the maximum salary level (Table 5).<sup>13</sup>

**3. Rankings After Application Of The Proposed Wage Increases**

The next question is how the proposed wage increases will impact the rankings with respect to comparable counties? More tables will give that answer.

---

<sup>13</sup> According to the Union (Union Brief at 4), nine of the 15 counties (ten with Effingham) employ telecommunicators.

**TABLE 6 - CORRECTIONAL OFFICERS STARTING SALARY WITH PROPOSED WAGE INCREASE**

County	Correctional Officers Starting Salary
Clinton	32,573
Macoupin	32,405
Montgomery	32,343
Christian	31,991
<u>Union Offer (3.5%)</u>	26,914
<u>County Offer (3%)</u>	26,784
<u>Effingham (current)</u>	26,004
Jefferson	25,664
Coles	25,657
Washington	25,646
Shelby	24,456
Marion	24,386
Crawford	23,355
Franklin	22,122
Saline	21,247
Fayette	21,147
Morgan	20,263

**TABLE 7 - CORRECTIONAL OFFICERS MAXIMUM SALARY WITH PROPOSED WAGE INCREASES**

County	Correctional Officers Maximum Salary
Coles	42,136
Clinton	39,150
<u>Union Offer (3.5%)</u>	36,838
<u>County Offer (3%)</u>	36,660
Crawford	36,193
<u>Effingham (current)</u>	35,592
Montgomery	34,682
Macoupin	34,385
Christian	32,890
Fayette	32,583
Washington	31,886
Jefferson	31,726
Marion	30,609
Franklin	29,122
Morgan	29,117
Saline	28,358
Shelby	25,955

**TABLE 8 - TELECOMMUNICATORS STARTING SALARY WITH PROPOSED WAGE INCREASES**

County	Telecommunicators Starting Salary
Montgomery	32,323
Christian	29,840
Shelby	24,456
Crawford	24,155
<b>Union Offer (3.5%)</b>	23,052
<b>County Offer (3%)</b>	22,940
<b>Effingham (current)</b>	22,272
Franklin	22,122
Fayette	22,099
Saline	21,247
Marion	21,162
Morgan	20,263
Coles	n/a
Clinton	n/a
Macoupin	n/a
Washington	n/a
Jefferson	n/a

**TABLE 9 - TELECOMMUNICATORS MAXIMUM SALARY WITH PROPOSED WAGE INCREASES**

County	Telecommunicators Maximum Salary
Crawford	37,366
Montgomery	34,361
Fayette	34,049
Franklin	29,122
Morgan	29,117
Saline	28,358
<b>Union Offer (3.5%)</b>	26,616
<b>County Offer (3%)</b>	26,487
Marion	26,161
Shelby	25,955
<b>Effingham (current)</b>	25,716
Christian	n/a
Coles	n/a
Clinton	n/a
Macoupin	n/a
Washington	n/a
Jefferson	n/a

Examination of tables shows that with *both* of the proposed wage increases, the Correctional Officers remain in the same position (fifth from the

top out of 15) at the starting salary level and move up from fourth from the top out of 15 to third from the top out of 15 at the maximum salary level. *Compare* Tables 2 and 3 with Tables 6 and 7. With respect to Telecommunicators, the tables show that they stay at fifth from the top out of ten at the starting salary level and move from last out of ten to 7th from the top out of ten at the maximum salary level. *Compare* Tables 4 and 5 with Tables 8 and 9.

The conclusion from all of this is that in terms of rankings and using the Union's proposed comparables to give the Union the benefit of the doubt, *both* proposals have the *same* effect — they maintain or move the Correctional Officers and Telecommunicators higher in the rankings *at the same levels* with respect to the comparable counties selected by the Union.<sup>14</sup>

**b. Internal Comparability**

Internal comparability — what is paid to other employees of the County — is also a relevant factor under Section 14(h)(4) of the Act.

From the County's Motion To Supplement The Record And Post Hearing Brief (and the mediation I participated in), the sworn personnel received annual wage increases in a four year contract of 3%, 4%, 3% and 3% commencing September 1, 2003.<sup>15</sup> Looking at the three year period which will be covered by this Agreement, the sworn personnel will received 10% and the County is proposing 9% and the Union seeks 11.25% for this bargaining unit.

---

<sup>14</sup> I realize that the only external comparisons being made here are for 2003-2004. But that is all the information that was given to me to make comparisons and I can only work with the information given to me by the parties. In fairness to the parties, comparisons for future years become rather difficult and speculative. Contracts are for widely varying periods, expire at different times and public employers and their unions are currently in negotiations across the State. Looking at 2003-2004 is therefore a reasonable and fair examination to get a realistic picture of what is going on in the comparable counties.

<sup>15</sup> County Motion at Exh. A, p. 1.

It would seem fair to give the employees under this Agreement what the sworn personnel received — *i.e.*, 10% over the first three years. Under the circumstances, I find that I cannot do so.

First, after the County and FOP reached agreement and after this matter had been briefed, the parties in this case had the opportunity to engage in further negotiations. The parties had the opportunity to consider the result of the contract reached between the County and the FOP and to see if they could come to a similar common ground. The parties advised me that those negotiations were not successful. The parties thereafter maintained their positions which were taken before the County and the FOP came to terms.

Second, on economic issues and because the parties have not given me authority otherwise, this is a last offer arbitration proceeding.<sup>16</sup> I have no authority to change the parties' offers — *i.e.*, where the parties have proposed 9% and 11.25% packages, I cannot impose a 10% package which was received by the sworn personnel for the first three years of their contract. I must select one of the final offers made in this case.<sup>17</sup>

---

<sup>16</sup> See Section 14(g) of the Act ("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]).

<sup>17</sup> See my award in *Cook County/Cook County Sheriff and Local 714 I.B.T.*, L-MA-99-003 (1999) at 6 and note 1:

Thus, with respect to each economic issue, as provided in Section 14(g) of the Act, this procedure selects the appropriate "last offer of settlement". On economic issues, no compromises from the parties' last offers can be fashioned by the interest arbitration process. One party's offer may more "comply] with the applicable factors" in some areas than others but, a party's economic offer on "each economic issue" cannot be changed by this process.

\* \* \*

The result is obvious. By requiring selection of the appropriate last offer, the parties are forced to realistically assess their positions and get as close as possible in negotiations which, in most cases, ultimately leads to settlements rather than litigation.

Technically, internal comparability favors the County's wage offer. At 9% over three years, the County is 1% below the 10% received by the sworn personnel for that same period. At 11.25% over three years, the Union is 1.25% above the 10% received by the sworn personnel for that period. The difference — .25% — may seem small, but from a percentage standpoint, the County's offer is closer to that received by the sworn personnel.<sup>18</sup>

**c. Cost Of Living**

Cost of living is a factor for consideration under Section 14(h)(5) of the Act.

The County argues that “[t]he relevant CPI-U for communities comparable to Effingham County is only 1.3 ... [and] the Employer's wage proposals more than double the current inflation scale.”<sup>19</sup>

There is no question that, at present, the Union's offer exceeds the cost of living at a far greater rate than the County's offer. These are still non-inflationary times. The cost of living factor therefore favors the County's offer.

**d. Conclusion On The Wage Offers**

The above discussion shows that: (1) in terms of external comparability, and giving the Union the benefit of the doubt by using the counties it says are comparable to Effingham, both proposals have same *positive* effect for the employees by maintaining or moving them higher in the rankings at the same levels; (2) internal comparability technically favors the County's offer; and (3) the

---

<sup>18</sup> In reality, .25% is not “small”. The .25% difference becomes part of the employees' base pay; it is computed into other benefit entitlements; it becomes the baseline for future negotiations in this and other County units; and ripples into other municipalities and counties that are using Effingham as a comparable.

<sup>19</sup> County Brief at 13, citing Joint Exh. 5 (Department of Labor Bureau of Labor Statistics data); Tr. 7 (“The CPIU for Effingham County essentially is 1.3 percent”).

County's offer exceeds the cost of living. On balance, the County's wage offer is selected.

## **2. Insurance**

Under the expired Agreement, the County paid "one-hundred percent (100%) of the contribution of coverage for full-time employees (but not dependents) for the term of this Agreement ...."<sup>20</sup> The County seeks to change that by: (1) limiting its obligation to pay the first \$350 of the monthly premium for individual coverage; (2) paying half of any premium that is over \$350 per month; (3) employee contributions would be capped at \$20 per month for the first year of the Agreement, \$25 per month for the second year of the Agreement and \$30 per month for the third year of the Agreement; and (4) there would be no retroactivity on employee contributions. According to the County, its proposal would require that the County pay 95% of the current premium cost.<sup>21</sup>

The Union seeks to maintain the *status quo* — *i.e.*, that the County pays for 100% of the premium costs.

### **a. External Comparability**

With respect to insurance — and again using the counties suggested by the Union as comparable to Effingham — the parties stipulated to the following information<sup>22</sup>:

---

<sup>20</sup> Joint Exh. 1 at Article 12.2.

<sup>21</sup> County Exh. 1 at 2; County Brief at 8.

<sup>22</sup> Joint Exh. 2 at 7.

**TABLE 10 - INSURANCE PREMIUMS PAID BY COMPARABLE COUNTIES**

County	Insurance Premiums Paid By Employer
Christian	100%
Clinton	95%
Coles	\$240/month
Crawford	100%
<b><u>Effingham (current)</u></b>	100%
Fayette	100%
Franklin	100%
Jefferson	100%
Macoupin	100%
Marion	95%
Montgomery	\$150/month
Morgan	100%
Saline	100%
Shelby	100%
Washington	\$500/month. Amounts over \$500 paid as taxable income.

According to the Union<sup>23</sup>:

Nine of the comparable counties pay 100% of the employee insurance premium cost. ... Clinton and Marion County pays 95% of the employee insurance premium, with the employee paying the remaining 5%. Only Coles, Montgomery and Washington County pay a set dollar amount per month (240, 150 and 500 respectively).

According to the County<sup>24</sup>:

... [B]ecause there was no information presented in the arbitration with respect to the levels of benefits and deductibles afforded by the other counties ... it is impossible to make a valid comparison. ....

Presently, because of spiraling costs, insurance is simply a nightmare and at a crisis level for employers, employees and unions. To meet this national problem, sharing by employees in premium costs has become quite common.<sup>25</sup>

<sup>23</sup> Union Brief at 12.

<sup>24</sup> County Brief at 11.

<sup>25</sup> See my award in *City of Countryside and Illinois Fraternal Order of Police Labor Council* (2003) at 12 ("Insurance costs are skyrocketing which makes bargaining on this issue border  
[footnote continued]

The County has not been immune from the national trends in increased health insurance costs and has experienced increased costs with projections for further increases as follows:<sup>26</sup>

**TABLE 11 - HEALTH INSURANCE COSTS**

Year	Annual Health Insurance Expense Per Employee
1999	2,953.87
2000	2,962.08
2001	3,358.11
2002	3,381.82
2003 (projected)	3,665.55
2004 (projected)	4,298.00
2005 (projected)	4,698.00

But the Union has shown that nine of the comparable communities pay 100% of the insurance premiums. Notwithstanding the national trend to the contrary, external comparability in this case (at this time) therefore favors the Union's offer.

---

*[continuation of footnote]*

on the impossible"). See also, 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 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.

Compare, Abelson, "Growth Rate In Health Cost To Employers Slowed in '04" from the New York Times (November 22, 2004 [emphasis added]):

After years of double-digit cost increases, the rate of growth in what employers pay for employee health insurance slowed significantly this year ....

The average employer cost for health benefits for an employee rose 7.5 percent in 2004, to \$6,679, the lowest increase since 1999 .... Employers faced average increases of 10.1 percent in 2003.

But this slowing rate was largely the result of employers shifting more of the cost onto their employees and changing the kinds of plans they offer ....

<sup>26</sup> County Exh. 2 at 2.

**b. Internal Comparability**

With respect to internal comparability, the County reached agreement with the FOP for the sworn personnel which includes the County's insurance proposal made in this matter. But, as the Union points out, "[a]s of the hearing, none of the [County]'s six collective bargaining units settled their contracts with the Employer."<sup>27</sup>

The fact that as of the hearing there were no settlements on insurance changes does not require a finding that internal comparability favors the Union's offer. Given the subsequent settlement in the sworn personnel bargaining unit consistent with the Employer's offer on insurance in this proceeding, there is now an obvious change for the pattern of the County paying 100% of the insurance premiums for employees. That change must be given substantial weight.

**c. Cost of Living**

It is now the end of 2004. The County's proposal provides that employee contributions are not retroactive.<sup>28</sup> However, for ease of discussion, I will assume that the County's insurance proposal took effect with the beginning of the second year of the Agreement on September 1, 2004. To create a worse case scenario, I will further assume that the insurance premium as of that time exceeded \$350 per month.<sup>29</sup> Under the County's proposal, the employees must pay 50% of that excess contribution, but, because of the cap, the most the employees would pay in the second year of the Agreement is \$25 per month — or,

---

<sup>27</sup> Union's Response to Motion to Supplement at 5; Tr. 8.

<sup>28</sup> See also, Tr. 29 ("... we are not seeking retroactive payment of the employees share of the premiums").

<sup>29</sup> The County projects that in 2004 and 2005, monthly insurance premiums for employees will be in excess of \$350. County Exh. 2 at 2.

\$300 per year.<sup>30</sup> For all purposes under this worse case scenario, the employees' wage increases will be reduced by \$300 per year as they cover the insurance contributions.

Because I have adopted the County's proposal on wages, this added cost to the employees translates as follows as impacting on the employees' wages<sup>31</sup>:

**TABLE 12 - INSURANCE CONTRIBUTION ADJUSTMENT ON WAGE INCREASES  
2003-2004**

Classification	9/1/03 Wages	9/1/04 Wages	9/1/04 Adjusted Wages With \$25/Mos. Insurance Contribution Offset (\$300/Yr.)	Adjusted Percentage Wage Increase 2003-2004 ((9/1/04 Adjusted Wages - 9/1/03 Wages) ÷ 9/1/03 Wages)
Correctional Officer Starting	26,784	27,588	27,288	1.9%
Correctional Officer Maximum	36,660	37,760	37,460	2.2%
Telecommunicator Starting	22,940	23,628	23,328	1.7%
Telecommunicator Maximum	26,487	27,282	26,982	1.9%

Extrapolating the above further for the third year of the Agreement and further assuming that the insurance premiums increase sufficient to call into play the \$30 per month cap, the result is as follows:

<sup>30</sup> See Tr. 29-30 ("... we would cap the employees contribution at ... \$25 dollars a month on the second year of the agreement and \$30 dollars a month on the third year of the agreement ... no matter how high the premium got in year three what we would be willing to do is say the employee would not have to contribute more than \$30 dollars ....").

<sup>31</sup> The further assumption here is that all employees will take advantage of the insurance program offered by the County. That is not always the case as employees who are covered under other family members' insurance policies often opt out of their employer's insurance programs.

**TABLE 13 - INSURANCE CONTRIBUTION ADJUSTMENT ON WAGE INCREASES  
2004-2005**

Classification	9/1/04 Wages	9/1/05 Wages	9/1/05 Ad-justed Wages With \$30/Mos. Insurance Con-tribution Offset (\$360/Yr.)	Adjusted Per-centage Wage Increase 2004-2005 ((9/1/05 Adjusted Wages — 9/1/04 Wages) ÷ 9/1/04 Wages)
Correctional Offi-cer Starting	27,588	28,416	28,056	1.7%
Correctional Offi-cer Maximum	37,760	38,893	38,533	2.0%
Telecommunicator Starting	23,628	24,337	23,977	1.5%
Telecommunicator Maximum	27,282	28,100	27,740	1.7%

Thus, applying the worse case scenario — albeit, a likely one — of the County having to pay increased insurance premiums which would take the employee contributions to the capped maximum, the adjusted percentage wage increases reflecting those maximum employee contributions still exceed the cost of living factor — 1.3.

The cost of living factor therefore favors the County's offer.

**d. Conclusion On Insurance**

The above discussion shows that: (1) external comparability favors the Union's offer; (2) the pattern of the County paying 100% of insurance premium costs has been broken in light of the agreement in the sworn personnel unit; and (3) cost of living favors the County's offer. On balance, the County's insurance offer is selected.

**3. Additional Pay For Telecommunicators**

The Union seeks an additional catch-up wage increase for Telecommuni-cators beyond the scheduled wage increases in the amount of \$.50 per hour

(equal to \$1,040 per year) in each year of the Agreement. The County offers no special increases for Telecommunicators. The Union argues that there is a large disparity in salary between the Correctional Officers and the Telecommunicators; no other comparable county has such a large disparity; and if an across the board percentage increase is given, the disparity between Correctional Officers and Telecommunicators becomes even bigger.<sup>32</sup>

The County argues that the disparity that exists is the result of years of bargaining and the comparables do not justify the Union's request.<sup>33</sup>

#### **a. External Comparability**

The obvious problem with the Union's offer is that although there is a disparity between the pay for the Correctional Officers and the Telecommunicators, the County's offer which I have adopted — *i.e.*, one that does not have the additional "catch-up" pay sought by the Union — still results in Telecommunicators maintaining or moving higher in the rankings with respect to the comparable counties selected by the Union.<sup>34</sup> External comparability does not favor the Union's offer.<sup>35</sup>

---

<sup>32</sup> Union Brief at 10.

<sup>33</sup> County Brief at 12-13; Tr. 23 ("... the distinction in wage rates between telecommunicators and correctional officers was a negotiated distinction ... [t]hat's not a distinction that was imposed by the employer in this case, the union and the employer agreed upon that distinction").

<sup>34</sup> See discussion, *supra* at III(D)(1)(a).

<sup>35</sup> My award in *Cook County/Cook County Sheriff and Local 714 I.B.T.*, *supra*, does not change the conclusion. In that case, there was a series of awards holding that there was a need for a "catch-up" for the sheriff's deputies who were less paid than the sheriff's police and a further need to "catch-up" with what similar employees were being paid in comparable communities. *Id.* at 5-7. Here, given the structure of the comparable counties, the Telecommunicators are not as behind in what they are paid when compared to comparable counties — particularly where the wage offer imposed maintains or moves them up in the comparables. Moreover, in that prior award, "[t]he similarity in training, risk and stress in the basic job assignments of the two employees groups, as is fully developed in this record, should require a finding that the Union's claim of some comparability for DSIs and Sheriff's police is fair and appropriate ...." *Id.* at 7 [citation omitted]. There is no showing here that Telecommunicators and Correctional Officers have the same relationship.

**b. Cost of Living**

Similarly, by increasing the Telecommunicators pay raises higher by an additional \$1,040 per year, that wage increase would amount to very high percentage wage increases. Just in the first year, a 3% increase at the starting rate with an additional \$1,040 would raise the starting rate from \$22,272 to \$23,980 — a 7.7% increase in the first year.<sup>36</sup> At the maximum rate, a 3% increase with an additional \$1,040 would raise the maximum rate from \$25,716 to \$27,527 — a 7% increase in the first year.<sup>37</sup> Those percentage increases far exceed the cost of living.

**c. Conclusion On Additional Pay For Telecommunicators**

Based on the above, the County's offer on additional pay for Telecommunicators is adopted.

**IV. AWARD**

The County's offers on wages, health insurance and additional pay raises for Telecommunicators are adopted.



Edwin H. Benn  
Arbitrator

Dated: December 8, 2004

---

<sup>36</sup>  $\$22,272 + 3\% = \$22,940$ .  $\$22,940 + \$1,040 = \$23,980$ .

<sup>37</sup>  $\$25,716 + 3\% = \$26,487$ .  $\$26,487 + \$1,040 = \$27,527$ .