

**BEFORE
JAMES R. COX
INTEREST ARBITRATOR**

CITY OF WOOD DALE

and

ILLINOIS LABOR BOARD
S-MA-06-286

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 150**

DECISION AND AWARD

Hearings In this matter were conducted by the Arbitrator In Wood Dale, Illinois. There were three Mediation Sessions and two days of Interest Arbitration Hearings during January and March 2007.

Attorney Pat Bond represented Wood Dale The Union case was presented by their Attorney Stephen Davidson. April 16th each Representative submitted written arguments In support of their respective positions

The Bargaining Unit

This Is a first Contract. Local 150 had been certified February 20, 2004 to represent employees In the following Classifications: *Housing/Zoning Inspector, Community Development Assistant, Permit Coordinator, Waste Water Treatment Plant Operator I, Waste Water Treatment Plant Operator II, Senior Operator, Building Inspector, Van Driver, Maintenance Worker II, Heavy Equipment Operator, Fiscal Assistant II, Equipment Mechanic, Maintenance Worker I, Maintenance Worker II, Administrative Secretary, Plant Mechanic, Lab Technician, Water Supply Operator, Secretary, and Utility Building Coordinator.*

While there are three other Collective Bargaining Units with whom the City negotiates, according to the Record, new Agreements have not been negotiated subsequent to the Local 150 certification. Local 714, IBT represents employees in separate Patrol Officer and Telecommunication Units. The SEIU Is Collective Bargaining Representative for Wood Dale Firefighters.

Comparatives

In an effort to objectively determine labor market salary levels, Interest Arbitrators place great reliance on wages and benefits in comparable communities. It is very important that the parties submit complete and accurate data. Reaching agreement based upon that data or at least identifying the basis for selection of proposed comparables is a vital step in the Interest Arbitration Process. Here there was failure to reach such a consensus on comparability although, for a substantial period of time, the Parties had bargained using a group of 24 municipalities chosen by the City in 2006... In a unique sequence, during Negotiations the City had identified three sets of comparable communities – each with a different mix of towns. The last Group was identified on the eve of the Arbitration Hearing in 2007.¹ The first comparable group had been determined in conjunction with a compensation review.

June 30, 2004, a Management Consulting Firm, the PAR Group, completed a Village wide study of Classification and Compensation Plans covering all City of Wood Dale Employees. Their conclusions were not limited to Bargaining Unit classifications. Following a Job Analysis, PAR proposed changes both in Classification structure and Job Descriptions. They developed Rate Ranges and Classification Rates following their survey of pay and benefits of municipalities “*similar to Wood Dale*”. Following comparative evaluations and making a judgment of the “*Internal worth*” of the various positions, the PAR Group placed each job into a Pay Grade. There was no challenge to the relevance of the towns they determined had characteristics most analogous to Wood Dale. They had looked at a number of towns with populations between 8,000 and 25,000 in Du Page County, Kane County and Northwestern Cook County;

The Initial Comparability group of 15

PAR used 7 traditional factors in deciding which of 22 municipalities compared most closely to Wood Dale. They assigned weighted points to factors of Population², Number of Full Time Positions, Equalized Assessed Valuations, General Fund Revenue, Sales Tax Revenue, Median Family Income and Proximity to Wood Dale. These are commonly accepted factors used to determine similar communities for comparison purposes in Interest Arbitrations. Each of the seven factors was credited with the same number of points except for Proximity to Wood Dale which carried 10 points. That methodology was the foundation for PAR’s determination of the 15 most comparable communities within the recruitment area. This was to be the first of the three comparability groups used by the City in making wage determinations. When we look at the 2004 PAR comparability study, we find that the ten highest ranking municipalities of the 15 had been scored from 90 to 65.

Thereafter there were substantial changes in Wood Dale’s selection of comparable communities. Only Barrington, South Elgin and West Chicago from the 2004 PAR Group were eventually relied upon by Wood Dale in 2007 as support for their Final Offer and became part of the third comparability group made up of 8

¹ Other than the names, the record does not disclose the factors which would distinguish the chosen towns from each other and show their relationship to Wood Dale factors.

² Wood Dale population was 13,335 at the time of the PAR Survey

municipalities.³ Why there is no need to use all 7 factors, the City did not explain why they had not utilized the comparability factors upon which PAR relied, factors commonly used in Interest Arbitrations, in selecting their 2006 and 2007 Groups. There was also no explanation why seven of the top 10 communities identified by PAR as most comparable were not considered comparables in 2007 despite the fact that the City had selected them, among others, as comparables in 2006. There was no indication why the 8 communities chosen in 2007 were considered more comparable than all but 3 of the top 10 of in the PAR comparability Group. Although the PAR Group had ranked Itasca highest, Wood Dale did not Include It In their Final Comparability Group. There was no explanation.

In 2004 Itasca had been scored with 90 points followed by Barrington, Roselle, South Elgin, Villa Park, Geneva, Lisle, West Chicago, Bloomingdale, and Bensenville.., Hinsdale was not in the highest group. It was the only town for which reasons were given for not including it in the 2007 Comparability Group. Warrenville had been screened out in 2004, ranked 19th and was not one of the 15 municipalities chosen by the PAR Group. Nevertheless, Wood Dale included it as one of the most comparable towns and made it part of their Final 8.

In 2004 PAR, after selecting Benchmark Classifications, formulated a salary schedule using data from fiscal 2003-2004. Using their 15 comparatives, PAR found that Wood Dale salaries were 1.2% higher than the average minimums of the Municipalities surveyed and 2.1% below the average maximum salaries. These figures included but were not limited to Bargaining Unit salaries.

The 2006 Comparability Group of 24

Wood Dale explained that, In order to refine and update the 2004 PAR Study, they conducted a salary survey which they finalized in late 2006. They went beyond an update. Their 2006 Comparables were substantially different both In Identity and number from those used by PAR. These City selections were based upon a limited number of factors. Their criteria for selection Involved only 3 of the 7 commonly accepted factors used by PAR - Equalized Assessed Evaluations, Population Size⁴, and Sales Tax revenue. They omitted the critical factor of General Fund Revenue as well as the factors of Number of Full Time Positions, Median Family Income and Proximity to Wood Dale.

At that time, the City had requested data from 24 municipalities. Only nearby Bensenville and Long Grove did not respond but, as the City acknowledged, "*most position classifications received from 7 to 15 responses*". The data for certain classifications was based upon as few as 30% of the responding towns. When the responses were arrayed, the highest and lowest salaries for each position classification were eliminated, a weighted average obtained and the range for each classification determined.

While the PAR Group had selected Roselle for their Group of 15, ranking them second behind Itasca, Wood Dale completely dropped that municipality from Its 2006

³ No reasons were given for the changes.

⁴ Wood Dale population was 13,335 at the time of the PAR Survey

Comparable Group and brought 10 different municipalities in to the Group - Batavia, Grayslake, Lake Bluff, Lake Forest, Lincolnshire, Long Grove, Rolling Meadows, Vernon Hills, Warrenville and Westmont were added to the 14. Such a substantial modification of the mix would change conclusions drawn from the PAR Group Study. Such a large number of Comparables Is unprecedented In my experience and has a leveling effect not seen In other reported Interest Arbitrations. Unfortunately there was no indication of the relationship of those towns to Wood Dale. We do not know why there were chosen.

The most comparable towns were certainly not the basis for the 2006 comparability assessment.⁵ None the less, the Union recognized that Group for comparability purposes. Their decision may have been made because the data showed Wood Dale Bargaining Unit salaries significantly below the weighted averages of similar classifications in those towns... Fiscal Assistant II was shown to be 9.91% and 10.18% below Wood Dale (at the Minimum and Maximum respectively), Equipment Mechanics in the comparables were 5.88% and 9.06% below Wood Dale at those points, Maintenance Worker 3.92% and 7.85% below and the Plant Mechanic classification 1.31% and 4.90% below Wood Dale. The December 2006 survey shows that most Wood Dale Bargaining Union classifications were at levels below the average rates for the same or similar classifications in the comparable towns. A different picture was shown in the Wood Dale 2007 Comparability Group.

The 2007 comparability group upon which the City relies here shows dramatically different and higher figures for Wood Dale Classifications although the figures for those classifications in the towns with which they compare are shown as unchanged!

That 2007 presentation shows the Minimums and Maximums for the Wood Dale Equipment Mechanic to be 1.45% and .28% above the average of the 6 towns who reported salary data, the Fiscal Assistant 2 to be 6.55% and 4.75% above the 2 towns (West Chicago and Warrenville) who reported, the Maintenance Worker to be 5.87% and 3.69% above the average in 6 towns who reported and the Plant Mechanic to be only 1.63% above the Minimum and 9.59 % below the Maximum in the 2 towns who reported –(again West Chicago and Warrenville).⁶ Apparently Wood Dale carried over the rates they had obtained for their 2006 survey without change and increased only the rates at Wood Dale. The reason for the adjustment is not evident. It had been stated during the Hearing that Unit rates at Wood Dale were unchanged after the Union Certification pending negotiations except for a single increase prior to 2005. While Wood Dale rates were adjusted upward for presentation of the 2007 comparable, the rates shown for the 8 comparables remained as they had been reported and portrayed in the

⁵ Following this selection process, the City determined the rate ranges for each Classification by eliminating the highest and lowest salary prior to calculating the average minimum and maximum salaries for each position Classification. A 2006 Municipal Labor Market Survey spreadsheet was constructed. There was no standard deviation shown

⁶ The Union also contrasted the limited data from the Group of 8 which produced lower salary rates In many positions than the Group of 24. For example, with respect to Maintenance Workers, *“The City reported that It under-pays the Maintenance workers by 7.85% at the maximum In Its July 2006 salary survey but that It overpays the Maintenance Workers by 3.7% at the maximum In Its March 2007 Salary Survey.”* .. As the Union showed in their Post Hearing Brief, for the Fiscal Assistant 2, the 2006 Grouping showed an underpayment of 10.18 % but the 2007 figures from different towns reveals a reported 3.7% overpayment. As mentioned, In 2007 – data on only two were reported. Their calculations are slightly different than mine.

2006 survey.⁷ They were not revised. Two examples - , while the 5 minimum and maximum rates for Fiscal Assistant were reported unchanged from the 2006 comparability study, Wood Dale Rates for that classification went from \$ 29,622/ \$39797 to \$34,264/ \$47443 and the Water Supply Operator was \$41681/\$55998 in 2006 but \$44362/\$62,124 in 2007. There is no explanation...

The Comparability Group of 8

As the foundation for their Final Wage proposal here, Wood Dale now relies upon a group of 8 Municipalities – Barrington, Batavia, South Elgin, West Chicago, Darien, Burr Ridge, Prospect Heights and Warrenville. As stated, that Group includes only 3 of the top 10 municipalities that PAR had found most comparable three years before... We do not know why the two Towns PAR rejected – Batavia and Warrenville – are now Included In Wood Dale’s final Comparability Group. I observe that these two towns reported lower salaries both at the minimums and maximums in 8 of the 12 classifications shown and, in only the Code Enforcement Officer classification, were higher salaries shown..

Of even greater concern is the fact the City was unable to obtain comparative data from those municipalities which would show the rates they were paying classifications comparable to those In this Unit. Even If the 8 municipalities had been determined to be more comparable than the 2006 Group, it is elementary that those towns did not submit enough data to Wood Dale from which valid comparisons with rates and fringes in Wood Dale can be made.

Several of those 8 municipalities submitted salary rates for only some of the classifications for which a wage determination is to be made. For example, in only 3 of the 12 listed classifications, do we find data from at least 6 towns (Secretary, Equipment Mechanic, Maintenance Worker). There was no instance where data for a classification was received from all 8 of the proposed comparables. Especially troublesome is the fact that we find only 2 towns providing salary data for the Fiscal Assistant II, only 1 town for the Permit Coordinator, 1 response for the disputed classification of Heavy Equipment Operator, only 2 of the 8 towns reported Lab Technician salary, only two for Plant Mechanic and only 2 for Wastewater Plant Operator salary. Even more disturbing is the fact that the evidence shows that almost every town of the 22 in the 2006 had a Heavy Equipment Operator and yet the 2007 Group shows only a rate from one town. While PAR had obtained data from certain towns, in 2007 no salaries were shown for those same municipalities – as an example, classifications of Equipment Mechanic in South Elgin, and Wastewater Plant Operator in West Chicago.

Only when we analyze the data do we see a reason for the wide salary variances between the Wood Dale 2006 and 2007 comparability Groups. As far as the evidence shows, Local 150 was not involved in either the selection of the towns for either comparable Group nor responsible for the reported rates.

We clearly do not have sufficient numbers to validate the claim of 2007 comparability. We lack the necessary data to show the basis upon which this Group

⁷ I did not check each rate but I did compare the two comparable groups and the reported rates for the Plant Mechanic, Wastewater Plant Operator, Water Supply Operator, Equipment Mechanic, Heavy Equipment Operator and Fiscal Assistants I and II classifications.

would be considered comparable to Wood Dale. It would not be unreasonable to expect that there would be at least one person in each classification working at each of the 8 Towns. There was no assertion that there had not been adequate time to gather this data. The limited data supplied is not meaningful.

Equalized Assessed Valuations, Population Sizes and Sales Tax revenue, the sole factors relied upon here, were not compared with those in municipalities previously relied upon as comparables. Moreover, we have a Group chosen without regard to Number of Full Time Positions, actual General Fund Revenue, Median Family Income and Proximity to Wood Dale. There was no reference to comparable General Fund Revenue despite relevant suggestion that I should consider the present state of the General Fund in assessing ability to pay. It was called to my attention that the General Fund will be a deficit position by fiscal 2009. Finally we have no idea of wage increases in any comparable community since 2004.

The Union asserts that negotiations after July 2006 had centered upon the larger group of 24 (22) communities. The accuracy of classification information in that larger data base is uncontested. Despite the leveling effect, it is upon that group that the Local 150 proposal is founded. Considering the inadequacy of data in the 2007 comparability group and the inability to draw any meaningful conclusions from that data and the failure to distinguish the composition of that Comparability Group from the 2006 Grouping, it is clear that the most comparable comparability Group is that upon which the Union relies.

THE ISSUES

Negotiations which began in 2004 have been both comprehensive and protracted. The City has benefited by the deferral of 2005 and 2006 wage increases. That deferral is recognized in the decision on retroactivity.

The Parties have reached agreement on a number of Issues which are to be incorporated into the Contract. There are essentially six unresolved economic Issues placed before the Arbitrator for determination here - the Salary Schedule and disputes on the scope of five classifications⁸.

⁸ As to each economic issue, the Arbitrator is required to adopt the Last Offer of Settlement which, in his opinion, more nearly complies with applicable factors prescribed in subsection 14(h). The Statute does not indicate that any particular factor predominates. The underlined factors are of primary importance here. The Arbitrator may not make any modifications in the Last Offer adopted. He must base his findings upon the following factors to the extent 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.

Salary

Each Final Offer contains several components including General Increases, Step Increases and Salary Ranges for each Classification. Under the Statute, each Final Offer on Salary must be considered in its entirety. The scope of the Offer is determined by the Arbitrator.

Mutual Agreement has been reached on the General Wage Increase for the Initial two years of what is to be a Four Year Agreement. The parties have reached an understanding that there should be across the board Increases of 2.8% May I, 2005, 3% May I, 2006, 3% May I, 2007 and 3% May I, 2008. The 2.8% Increase is to be retroactive to May I, 2005 and the 3% raise the second years is on the new base and retroactive to May I, 2006.

Commencing May I, 2007, a Salary Schedule is to be instituted. Both parties take final positions that the Salary Schedule provide Incremental Step Increases each contract anniversary year⁹. There is disagreement upon the percentages of the Incremental step Increases to become effective in 2007 and 2008 and well as other salary differences reviewed below.

The Union Final Offer

Effective May I, 2007 and May 1, 2007 the Union seeks 3% general Increases and proposes, in addition, incremental Step Increases of 2.5% May 1st of each year for employees moving through the Salary Schedule.¹⁰ Those at the top rate would receive a dollar adjustment of \$1500.00 in their salary. Under the Local 150 proposal, as they state, no employee would receive more than a 5.5% increase each of the third and fourth years of the Agreement.

Certain Individuals are presently paid less than the Start Rate for their respective classification. As described in the Union Brief, their rates will be moved up to that Start Rate with a General Increase of 3% May I, 2007 as well as a Step increase of 3%. Such individuals will receive additional inequity Increases of 3% each year until they reach the starting rate for their classification. They will not be in the Step Structure until that time.

(7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

(8) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

⁹ The City proposes their Step Schedule only as an alternative final offer. In view of the number of Comparable Units with Step Schedules in, there is compelling evidence that a Step Schedule should be put in place.

The Wood Dale Final Offer

In contrast to the Union Offer which brings a 5.5% average annual raise for unit employees progressing from Step to Step, the Wood Dale Final would bring an average annual Increase of 3.72%. Counting the 3% General increase agreed upon for each year, the City explains, as an example that their Step Plan would produce dollar increases for the proposed single classification of Maintenance Worker of 4.50%, 4.43%, 4.35%, 4.27%, 4.20%, 4.13%, 4.06% and 4.00% depending upon the Step attained. The incremental Step Increases in the Plan Matrix under their Offer are less than the 2.5% spelled out in the Union Final position. The City shows what they term as *grade increases* to be 1.50% from Step to Step.

Furthermore, the City would freeze the rate ranges of the Salary Schedule during the term of the Agreement. The Union would Increase those ranges each year by the percentage of the General Increase.

In addition, the City proposal for employees at the Top of the Schedule is somewhat different from that of Local 150. *“For those employees already at the top pay range, the employee for the first year of reaching the top of the pay range would receive the grade increase 1.50% and a \$1500.00 bonus. Thereafter the employee would receive a \$1750 bonus for the second year, a \$2000 bonus in the third, fourth and fifth years and a \$2500 bonus in the sixth year.”*¹¹ It appears that the \$1500 would be treated as a bonus and not built into salary.¹²

The PAR Study recommended a pay span of approximately 34 % from the minimum rate to the maximum rate. They found such rate to be comparable with ranges found in the labor market. Here the parties have agreed upon most minimum and maximum rates for the third year of the contract, the first year the Salary Schedule is to become applicable.

Step Increases

The Union proposes an eight Step progression with current Employees placed at the appropriate Step within their respective range based upon their salary as of May 1, 2007. Each Classification has a rate range and new hires are to enter the progression at the 1st Step. Advancement from Step to Step is to be, according to the Schedule proposed by the Union, in percentages: 4% at Step 1, 3% at Step 2, and subsequently

¹¹ The Par Group proposed that for employees whose salary was greater than the maximum of the range for their classification, their base pay would be frozen but they should be granted a “one time topped out bonus equal to what ever percentage across the board Increase the City grants. The bonus would not be built into base pay

¹² As their Final Proposal indicates, Local 150 states that their proposal provides some lower top rates than proposed by the City . The City’s offer would combine certain classifications as reviewed below. The Union shows these comparisons with the Wood Dale Last Offer.

- (A) Commercial Delivery Assistant (\$19,711 less)
- (B) Utility Billing Coordinator (-\$2251)
- (C) Maintenance Worker I (\$4603)
- (D) Equipment Mechanic (-\$5,067)
- (E) Code Enforcement (-\$14, 833)
- (F) Senior Building Inspector (-\$6541)
- (G)

2.5%. An Employee who reaches the top of the rate range for his classification is not eligible for further Step Increases but would, each year his rate is over the maximum, receive an \$1500 Increase in his salary. A Step Plan is not new to Wood Dale.

At the time of the 2004 survey, personnel in the Wood Dale Police Department had a pay structure with salary steps. In discussing such automatic progressions, the PAR Study noted trends in pay structures stating that it is common for municipal governments to consider time in the position as a factor in salary increases. The survey states, *"There is nothing seriously wrong with this approach because it recognizes that most employees are essentially good performers and therefore should advance through the structure. On the other hand several changes in the way pay structures are being designed should be noted."*

At that time, according to PAR, Salary Plans contained incremental pay step increases of around 4% or 5%. This feature would be considered in a traditional Step Plan, but, in the view of the PAR Group, *"Most progressive municipalities have adopted Pay Plans with open ranges with only a minimum rate and a maximum rate with advancement in the range based on merit,"*.

The City Final Offer at Interest Arbitration contained a Step Plan as an alternate. An examination of both Internal and External Comparables supports a finding that there should be a Salary Plan with a Step factor. The remaining question is how much?

We do not have any average increment Step data from the Wood Dale 2007 Group. The 2006 Comparability Group shows that eleven of that number had a Step Plan in place as of March 2007 with Step Intervals ranging from 5% to 11%. Five of these Eleven Plans had 8 or more Steps. Four had 7 Step Plans.¹³ Moreover, an examination of Internal Equity reveals that the Wood Dale Police Contract has an 8 Step Schedule with percentage intervals between 4.5% and 6%. The Labor Contract covering the Telecommunications Unit also has 8 Steps with interval percentages ranging from 3.1% to 5.8%. In each case, where there is a Step Plan, the employee receives both the general annual increase and the Step adjustment each year. All the comparative data reflects Step Increases greater than the 1.5% set forth in the Wood Dale Final Offer. The Union 2.5% is more realistic than the City proposal.

Previous Pay Practices

As of 2004, according to the PAR Study, the City had a practice of granting midyear merit increases – providing an unknown number of employees with two increases each year. The evidence did not establish the percentage of employees in this bargaining unit who received such increases or the percentage of increase. Neither party proposes that this policy be continued.

The City presents data indicating the total compensation provided employees in this bargaining unit and draws the Arbitrator's attention to Factor 6 of I4 (h). I recognize the PAR Group summary that Wood Dale was above average with respect to contributions for Dental Insurance, Health Insurance, Life Insurance, average with

¹³ 17 of the 24 are Non Union.

respect to vacations, funeral leave, deferred compensation, pension contributions and longevity, slightly below average regarding personal days and Holidays and significantly below average, to the extent shown in contributions toward Single Employee Health Insurance coverage.¹⁴ They did not have an Education Reimbursement Program.

SALARY AWARD

It is my determination that the most reasonable Final Position on the Salary Issue is that of the Operating Engineers. The 2006 Comparability Group, initially developed by Wood Dale, was shown to be more representative than the Comparable Group Wood Dale proposed in 2007.

Employees in this Unit did not receive any wage increases for 2005 and 2006. Cost of Living Increases have approximated 3% during these years and similar increases are expected during 2007 and 2008. Real wages of employees in this Unit have accordingly declined. The Parties have agreed upon annual General Increases which approximate the Cost of Living effective May 1, 2007 and May 1, 2008.. Their principal salary differences are with respect to Step Increase Interval Percentages. The General Increases shall be applied to the Minimum and Maximum rates of the Salary Schedule commencing May 1, 2008 and each year thereafter.

The Step Plan proposed by the Union contains percentage Step Increases lower than those currently provided by Wood Dale for internal comparables and this aspect of the Union Final Offer on Salary is consistent with both the number of Steps and percentage of Step Intervals found among External Comparables listed in the 2006 Comparability Group. The Step Plan shall, effective May 1, 2007, provide for incremental Step Increases of 2.5% May 1st of each year. Those at the top rate would receive a dollar adjustment of \$1500.00 which shall be built into their salary.

The General Increases shall be paid across the board to employees including those whose who have a Top Step Pay Cap, In lieu of a Step Increase, topped out rates are to be adjusted each year with a \$1500.00 addition to those rates.

Employees whose salary is currently below the Start Rate for their classification will have their rates moved toward that Start Rate with a General Increase of 3% raise May 1, 2007 and an equity adjustment of 3% that same date.. They will receive not only subsequent General Increases but inequity adjustments of 3% each year until they reach the starting rate for their respective classification.

In view of the long delay in instituting the initial increase, the retroactive general wage increases effective May 1, 2005 and May 1, 2006 will not only go to present employees but shall be paid all who what been employed on and after May 1, 2005,

¹⁴ According to that same Study, in 2004 with respect to PAR comparables, for Health coverage Wood Dale paid about 3% less of the premium for employee only coverage.. For family converge, Wood Dale was paying a greater amount of this more expensive premium. Wood Dale Employees were paying \$29.29 less a month as their share of this cost than their counterparts in PAR comparables.

including those who have worked thereafter but have retired or voluntarily left the employment of the City.

CLASSIFICATION DISPUTES

The City proposes that the following classifications be combined: (1) The Senior Heavy Equipment Operator positions with those of the Heavy Equipment Operator ; (2) The Maintenance Worker II with the Maintenance Worker, (3)The Senior Plant Mechanic and the Plant Mechanic; (4) The Senior Equipment Mechanic and the Equipment Mechanic and (5) The Wastewater Treatment Plant Operator II with the Wastewater Treatment Plant Operator. In each case the City position was supported by recommendations from a Job study conducted by the PAR Group in 2004.

The PAR Group had been retained in 2004 to review Wood Dale Classifications and Compensation Plans. Meetings were held with both Management and the work force. Each employee completed a self analysis of his job. The Job Analysis was reviewed by Management with the Supervisor signing off on the accuracy of the job Description.

It Is the Union position that each of these positions are distinct Classifications and that there should be a clear demarcation between the wage rates in those various Titles. They assert that the City Final Proposal is an unwarranted attempt to downgrade classifications of several employees.

MAINTENANCE WORKER I AND MAINTENCE WORKER II.

In 2004 the PAR Group had recommended that these positions be consolidated into a single Maintenance Worker Classification. PAR had found virtually no difference between the duties and responsibilities of the Maintenance Worker I (MWI) and the Maintenance Worker II (MWII). .¹⁵

The City adopts that position In this proceeding. It is noteworthy that Par had not suggested that all MWs be reclassified as MWIs as the City seeks here. Wood Dale would place the MW II into the lower salary range despite the long practice of paying those performing the higher level of Maintenance work at that level.. That aspect of their proposal raises a breakthrough issue¹⁶ .

¹⁵ There is some confusion between the parties as to which employees are in the classifications. The City shows Goodhue as a MWII and the Union lists him as an HWO with 17 year's service and Krozel as a MWI. Furthermore, There are six MW IIs and seven MW I slots - three of which were reported to be open in an undated Employer Exhibit relating to January 2007 manning. Then Krozel, Avlla, Vasquez and Schultz were listed as MWIs. The Union shows Krozel and Vasquez as IIs and counts only 2 MWEIs According to the Union proposal there are 7 In the MW 2 Classification and but 2 employees holding the MWI title (Schultz and Avlla.)

¹⁶ Proposals to eliminate or substantially modify a long standing practices and benefits are generally considered as seeking "breakthroughs". Arbitrators take a conservative approach in making breakthrough determinations, favoring the status quo. A greater weight of evidence to support a breakthrough is required

Local I50 proposes that there be both a Maintenance Worker II and Maintenance Worker I position as presently worked..

The work

I have considered an analysis of Maintenance work from February 2006 through February 2007 presented by the City. That sampling of assignments does show little difference in the work performed in these two Position Titles performed on seven dates. On those days there was nothing the Maintenance I did that was not undertaken by the Maintenance II except for a New Construction Inspection. Each classification was involved on some level with landscape maintenance, restorations, pavement maintenance, signage, snow operations, picking up brush, J.U.L.I.E. locations, work on trucks, vehicle maintenance and administrative assignments. While the type of assignments are similar, based on the Testimony and the Job Descriptions, I find distinctions in skill and experience and In the type of Equipment operated. The Backhoe and Bob Cat are most often operated by MWIIs. It is required that the MWIIs have a CDL..

Both classifications function as part of the work crew when assigned to assist the Heavy Equipment Operator. On occasion the Maintenance II operates auxiliary equipment such as an Asphalt Roller and cuts pavement with a special saw. Both shovel hot asphalt In the course of hot patching. There is occasional Independent work on sign projects¹⁷. It is uncommon for a MWI to use a chain saw. They are assigned the shorter snow routes but such snow work is essentially the same for both classifications.. There is frequent overlap in assignments. As a Union witness acknowledged, from the MWII perspective, “ *just because he’s Maintenance II, that doesn’t mean he’s not good enough to go pick up trash or go to City Hall and move boxes because we’re all like a team, a team environment, that’s what we try to do.*” Having two classifications has not created work assignment issues

the longer the provision or policy sought to be changed has been in effect. A clear cut justification for change must be shown.

In what is often called a Landmark Award involving this doctrine, as far back as 1988, Harvey Nathan laid out three tests to be satisfied before a proposed substantial change in an Agreement should be adopted. He wrote the existing system is not working, there are problems creating operational hardship and the party seeking to maintain the status quo has resisted attempts at the bargaining table to address those operational problems. Will County, S-MA-88-9, (Nathan 1988). He wrote, as a condition of the Arbitrator’s adoption of a change from the status quo as part of a Last Offer, the parties must have bargained about the change. There is wide spread agreement among Arbitrators on the bargaining prerequisite.

As Arbitrator Briggs commented in City of North Chicago and Illinois FOP, S-MA-99 – 101 (Briggs, 2000), the parties must have given the process a chance to work. Prior to any Interest Arbitration determination that there should be a *breakthrough*, whatever standard may be used by the Arbitrator, **there should be serious collective bargaining on the disputed issue, at the least including constructive alternate proposals.**

¹⁷ It Is the Maintenance II who is usually assigned Zoning Sign work and sidewalk final Inspections. Those in that classification also serve as Safety Members based upon their longer tenure.. They are Lead Persons for summer help and operate the Flusher Truck when needed. The evidence also showed that a Maintenance II participates more often in restorations. A Union witness explained, “*If we do restorations, a lot of times we can send a couple Maintenance II’s out to do set-up work, like the Heavy Equipment Operator will grade It and then he’ll go on to something else and then the Maintenance II’s will measure It out and get the sod and put It down*”

While there is overlap, according to the testimony, a Maintenance Worker II works more independently than Maintenance I who predominately does “a lot of, like, clean-up work, “A Union Witness confirmed that Maintenance II also does MW I work - “When needed. When we’re short. Short of people. Sure, we bounce around.” There are no clear cut lines of responsibility and no history of jurisdictional bickering about who is to do which job

Comparables

It is not uncommon to have lower skilled maintenance work performed in a separate classification with recognition by both parties that there will be common assignments. In fact we find dual Maintenance classifications (MW Is and MW II or their equivalents) In 12 communities. Bensenville, Bloomingdale, Burr Ridge, Darien, Geneva, Itasca, Lake Bluff, Prospect Heights, Rolling Meadows, South Elgin, Warrenville and West Chicago. The 2006 Comparables support the Union position. The 2007 Comparables also support the Union Final position. . Six of the eight towns in the Wood Dale Comparability Group have two classifications of maintenance workers - South Elgin, West Chicago, Darien, Burr Ridge, Prospect Heights and Warrenville.

Prior Practices

Having a MW I classifications facilitates training and employment of those relatively unskilled maintenance employees who do not regularly operate vehicles. It is a lower paid classification and, In Wood Dale, prior to the advent of the Union; there had been a long practice of having two Maintenance Classifications. No operational problems were evidenced. The lower classification would function as an entry level position. Even after the Union’s 2004 certification, the City treated the two classifications as distinct paying an MW I when he did what the City recognized as MW II work...

From summer 2003 through Spring 2004, an MW I was assigned to fill in for a MW II off on Leave of Absence. When he sought the higher pay grade for working that temporary assignment, the City Manager responded, “The City does have a policy of issuing a temporary pay raise to employees who are assigned the tasks of co workers who have a higher pay grade....” The MW I rate was awarded. The MW 1 received a 4% “temporary Pay adjustment” for the period he substituted in the higher paid classification and worked the higher paid classification on a regular basis.

Based upon the prior practice In Wood Dale and the evidence of dual maintenance grades among the comparables, I find that the long standing entry level position of MWI should be continued. The City proposal to bring all MW IIs into a single lower MW I classification is not reasonable. There was no showing from the comparables that MWIIs in their communities are paid at that level. While they could be red circled, there is no justification for combining the two pay grades and bringing the MWIIs into the MWI salary range.

There is no merit to the City proposal that all Maintenance Personnel be classified as MW I s and that the pay range for the MWI Classification be adopted for all

Maintenance employees..The inequity of grouping all MWIs into a single classification and establishing a significantly lower wage structure for them is inconsistent with the practice in any Comparable .

As previously stated, the Arbitrator in Interest Arbitration is limited on such economic issues to selecting between the two proposals. I cannot modify either Final Offer - select some provision and ignore others..No one has proposed combining the two classifications and paying the rate at the MWII level.

To reiterate, while the evidence confirms the City position that there is little difference between work assignments to the MWI and MW2, I cannot ignore (1) the long practice of having separate classifications; (2) the substantial number of Comparables who have dual Maintenance Classifications including 6 of the 8 City Comparables; (3) the fact that, at Wood Dale, the lower rated MWI is an entry level classification in which Incumbents predominately perform low skill tasks for significantly less pay than MWIIs; and (4) finally and most significantly, the lack of any precedent in combining classifications to eliminate the salary level for the higher paid and place all employees in the rate range of the lower paid classification.

AWARD

The Union Final Offer on this point is clearly the most reasonable of the two Final Positions. The Range for this Classification will be as set forth in the Local 150 proposed Salary Schedule the Arbitrator has awarded.

THE SENIOR PLANT MECHANIC

A Senior Plant Mechanic position was created In January 2000. The formation of that Lead Position came along with a recommendation that the present Incumbent be promoted Into that new job title. Management determined that the position required someone with the employee Lundgren's competence and comprehensive knowledge of Plant Equipment. It was written that his knowledge of all Water/Wastewater facilities and related equipment was unequalled. Such knowledge was seen to be of great value in not only working as a Plant Mechanic but in assisting other Plant Maintenance Division employees. Since 2000 there has been both a Senior Plant Mechanic and a single Plant Mechanic.

A review of seven randomly selected daily reports shows the Senior exclusively performing Controls Maintenance, Pump/Motor Maintenance, Electrical work Involving Switching Equipment and Chlorine Equipment Maintenance. That survey was far from complete since it had been based only upon the work of the two men on seven dates and, one of them, the Mechanic, worked only two of those dates. Such an analysis may not be considered representative or of any probative value.

The evidence did establish that the incumbent –Lundgren - has duties and responsibilities beyond the work described in the Senior Mechanic Job Description which had been written developed in 2000. Much of his work involves major repairs which would otherwise be contracted out – a high level of skill not demonstrated in the Mechanic Classification. Major projects he has administered include rebuilding of two grit

collectors, done with 4 other employees under his supervision and direction. Other tasks Included replacement of the telemetry system and rebuilding of underwater systems at South Plant¹⁸.

Since the Par Group 2004 recommendation that the classification of Senior Plant Mechanic be eliminated and , as a consequence of changes in management structure, Lundgren works more Independently than before.

Based upon the testimony, I find that the assignments and decisions Mr. Lundgren's makes involve exercise of considerable discretion and decisions which are not predetermined. .

The differences between Lundgren's work as a Senior and that of the Mechanic are analogous to those in the Senior Equipment Mechanic and the Equipment Mechanic discussed below. There the City determined that such current distinctions should be retained.

While this classification, like the Senior Equipment Mechanic, has only one Incumbent in the subordinate position, the high level of complex work performed justifies the Senior ranking. Any promotions to that position will have to meet standards Lundgren has demonstrated in carrying out the major upgrades described In his testimony. The position, as he fills it, is well beyond that of a Crew Leader. Moreover, as a result of recent restructuring and the fact that his Immediate Supervisor Is now responsible for three Departments, Lundgren works more Independently than in 2004. Considering the level of complexity and scope of the work, the Senior Position Title Is warranted.

AWARD

Both the Plant Mechanic and the Senior Plant Mechanic Classifications shall remain without change and be compensated in accordance with the Local 150 Final Salary Proposal.

SENIOR WASTE WATER PLANT OPERATOR AND WASTE WATER II CLASSIFICATIONS

While the City initially sought combination of the Waste Water Plant Operator I and Waste Water Operator II classifications into a single Waste Water Plant Operator Position, insufficient evidence was presented during the Hearing to support such a combination. The combination was not mentioned in Post Hearing Briefs and there is insufficient evidence to support this breakthrough proposal by the City.

AWARD

Both classifications shall remain and be paid as shown in the Union proposed Salary Schedule..

¹⁸ The Senior Classification Involves fabrication of equipment for special tools.

SENIOR EQUIPMENT MECHANIC

As with respect to other *Senior* Positions, the PAR Group had recommended elimination of the Senior Equipment Mechanic Position finding the principal difference between the Senior and the subordinate Equipment Mechanic position was that the Senior filled in on an Irregular basis for their Supervisor.¹⁹ The evidence in this proceeding showed that both Mechanics perform both skilled and semiskilled work in connection with repair and maintenance of vehicles and equipment. As in most shops, one may have greater competency in certain types of repairs than the other and the Senior has greater clerical responsibilities. The outcome here turns on additional supervisor responsibility cited by the City.

Robert Kazor is presently Senior Equipment Mechanic. More than a year after the PAR recommendation, commencing with the retirement of a Supervisor December 31, 2005, Mr. Kazor began to be assigned additional responsibilities. He was made accountable for repair and maintenance of about 100 vehicles in the fleet and approximately 125 small tools. Although Kazor is considered an outstanding worker, work performance is not a job evaluation factor.²⁰

During his testimony, Kazor presented a comparison of duties Senior Mechanics perform in comparable communities shown in the 2006 Comparability Group and distinguished his duties from theirs.

Kazor's duties at Wood Dale include working with limited supervision and responsibility for day-to-day operations of the Garage. He assigns work to one Individual and supervises his performance. There is extensive record keeping involved,

The Senior Equipment Mechanic Classification was designed for employees running the day to day operations. As his prior Supervisor commented, his schedule had prevented him from spending "*nearly as much time at the Vehicle Maintenance Garage as I would like to..Having somebody as reliable and dependable as Bob running the day-to-day operations is very reassuring.*" He further stated, "*between running the daily operations at the Garage and keeping up with the fuel system, delegating work to Dave, ordering parts, inventory control, all BMG reports, performing mechanical work on vehicles, etc., I can't imagine anyone being able to perform any more work than Bob currently does.*" He was intimately involved in development of a new fuel system.

The evidence established that since the retirement of the Division Supervisor, Mr. Kazor has assumed daily operational responsibilities at the Garage. It was for these reasons that the City, acknowledged in their Post Hearing Brief - "*since the date of the*

¹⁹ Robert Kazor, the Mechanic who seeks Senior status, recalled his participation in the 2004 PAR Group Interviews. He indicated that he was primarily responsible for the repair and maintenance of vehicles and equipment owned by the City and performed some duties of the Vehicle Maintenance Supervisor in his absence. During his testimony at Arbitration, he stated that he currently performs such duties everyday "*whether he's there or not*".

²⁰ In April 2006 Kazor was evaluated as "*outstanding*" and received 96 of 100 points in connection with the various performance factors.

Par Study, employee Robert Kazor has assumed additional responsibilities, many of which are supervisory in nature...

THE AWARD

The City and Local 150 now have similar Final Positions on this Issue. There is mutual agreement that there should be two classifications of Equipment Mechanic and that Mr. Kazor should be classified and paid as a Senior Equipment Operator. That mutual understanding is recognized in the Union Final Salary Schedule proposal.

SENIOR HEAVY EQUIPMENT OPERATOR

The Union proposes that the classifications of Senior Heavy Equipment Operator and Heavy Equipment Operator be retained.. PAR had recommended that the Senior Title be eliminated - *"The only difference between the Class of Heavy Equipment Operator and the Class of Senior Heavy Equipment Operator Is that the latter will occasionally lead a crew and take over for the Supervisor."* The Wood Dale Final Offer adopts the PAR Recommendation and maintains that all HEO 's, including Seniors, be paid at the lower HEO rate.

According to the evidence, there are very few occasions when two HEO's work on the same crew. Sometimes they work under the direction of a Senior. There was one example provided by an HEW. Ed Diebold was the Senior Operator directing the work of a HEO at the job site. *"He would say we're going to do it this way, and well okay. Or we're going to drop a 50 ft tree. We'll look at it and we'll conference on it because it's better to have two heads than one and we'll say if we notch it here it's going to go this way. So things like that we'll conference on when we were out in the field"* When asked whether his job was different from the Senior HMO in their work assignments on that job, according to the HEO, "Well what he did was more of a Supervisor type job. Not 100%, but it could be upwards of 60%, ... he would do a lot of the things that the boss didn't have time to do"

It is significant that among Comparables in the 2006 Group, there are Senior Heavy Equipment Operators in almost every community. The titles for such non exempt work includes Streets Supervisor; Public Works Crew Leader and Foreman. The job is usually in a high Labor Grade considering Crew Leader responsibilities and safety factors.

Both the Heavy Equipment Operator and the Senior HEO at Wood Dale, as their counterparts in most Municipalities, direct crews which whom they work at the job site. Their work involves development and directing a schedule of work assignments for personnel in lower rated classifications such as Maintenance Workers. The interaction with those in the Maintenance Classifications is referenced above in the discussion of Maintenance Worker work. As a Crew Leader the HEO is in charge and executes work assignments received from his Supervisor.²¹

²¹ The Operator's testimony showed that recently, in the course of familiarizing a new Supervisor, he has taken a greater role in making decisions on how the work is to be performed. Recalling an assignment to install signs, he said he had decided how many signs to order, made a sketch and decided and assembled

A Heavy Equipment Operator with long service, after reviewing job descriptions from comparable communities, concluded, "The only work Operators in comparables do not do as Heavy Equipment Operators is that they do not maintain the Sign Shop or perform building Inspections". He added, "I don't see where they do building Inspections, which we do, that was a big thing". The Operator, when asked for details, responded that such a task involved, "sidewalks, driveways, and finals on the outside for debris. Are Gutters and downspouts Installed?All the construction debris has to be picked up.... Things that have to do with streets you check." Such an Inspection is not much more than a visual assessment of cleanup work and does not rise to the level of work normally performed by Inspectors from the Building Department. There is no special training required and such observations were made without accurate reference to Lot Lines, Set Backs or Codes normally Integral parts of a building Inspection. After having looked at Descriptions In the Comparables, The Operator concluded that "mostly what you'll find out If you go through this, a lot of Heavy Equipment Operators are almost the same thing as a Maintenance III." This witness did not distinguish his work from that of a Senior Heavy Equipment Operator such as Ron Schultz.

One of the main factors which could distinguish a Senior Classification from an HEW would be the degree of authority and discretion exercised In connection with direction of the work crews. In describing duties of the two HEO's who currently carry the Senior title, it was said, "Rob (Schultz) says we're going to dig It this way, we're going to do this, we're going to do that, Eddie's (Diebold) out there doing the storm sewers the same thing, he's got to order the manholes, he's got to order the parts and everything, so both of them actually do both of those functions. So, he might send out a crew and you might be the guy In charge of that crew. They don't evaluate Employees or anything like that".

The Heavy Equipment Operator stated, "I feel what I do is almost like basically a Supervisor when the boss Isn't there and even when he is there, you know, he's busy with he's doing so I go out and do what I got to do". However, these assignments are largely predetermined and involve little discretion. As the HEO put it, "I mean you kind of get a routine and you know what needs to be done and what don't need to be done. And what I'm doing now is I'm actually training Rusty (the new Supervisor), which we hired, cause he'll ask me, you know, what about this and what about that, and what I did, I made up a packet when he first started, I put a map In there, I put different things In there that I do on a weekly basis and I gave It to him.". It is clear that, while the Operator has orientated his new Supervisor based on his long experience, the work he performs is under the Supervisor's direction and control.

According to the evidence, there are currently two Senior Heavy Equipment Operators and two Heavy Equipment Operators. They normally do not work as part of a team. The Seniors do not direct the Operators who are skilled and with long service.

the parts he needed, "how many parts, bolts, nuts, everything." Such work does not involve special skills. He recalled that when doing sign work for a previous Supervisor, "I was given a map on where the streets that they wanted the signs." After receiving general directions, he decided what side of the street they should be Installed and determined specific locations

From a job evaluation standpoint there is little difference in work assignments of the Operators or the manner in which they direct the crews that assist them. While very limited, a survey of work performed on seven days during the period February 9, 2006 through February 27, 2007 by 2 Seniors and one HEO showed that all engaged in administrative duties, did minor vehicle maintenance, trucking and J.U.L.I. E. locating. One Senior obtained price quotes and downloaded water meters, duties which would not warrant a classification higher paid than Operator. The other picked up brush. The HEO did snow plowing, signage, pavement maintenance and restoration work. These are all normal duties of all Operators.

The main difference in HEO work is principally attributable to areas of assignment²². We find Senior HEO Rob Schultz frequently involved in the essentially clerical task of meter reading- essentially downloading meter data. Schultz is also the only Heavy Equipment Operator who regularly obtains price quotes, schedules equipment repair, recommends that equipment be sold, keeps maintenance records and determines work orders. He also responds to complaints from City residents and sets up work. He testified that he is a go between Supervision and the Crew..At the time of the Hearing, there was no Field Supervisor in place. Presently the Supervisor, now Dale Caldwell, decides what work is to be done. The Seniors have service of 18 and 19 years and the Operators are just a few years junior with 17 and 13 years respectively

The Union argues that a Senior Classification should be put into effect because in connection with their Operator work, all HEWs Lead Operators organize schedules, participate in maintenance, repair, construction work and directly or through a subordinate, supervise crews as part of their daily assignments. The evidence is insufficient to establish the amount of work time involved in directing a Crew as opposed to operating Heavy Equipment.

I agree that the 2006 Comparables and the Evidence does support a single Classification of a Lead or Senior Heavy Equipment Operator Position. Before such a breakthrough can be determined, there must be more extensive bargaining on the rate to be paid for work in such a new classification.

AWARD

The status quo should be preserved and the level of pay for a single classification considered during bargaining for a future Agreement. The dual Heavy Equipment Operator Classifications shall continue and be paid as set forth in the Union Salary Schedule.

²² Heavy Equipment Operators have performed special assignments such as . building inside walls at the Garage converting part of the Tool Room into an Office. They along with Maintenance Workers, participated in a demolition project. Operators including Senior Operator Diebold, while doing the hauling, would break down the copper and the steel and sell it for the City. *"Once the building was torn down, we broke up all the concrete, we broke up all the asphalt, took various things to various places where they had to go and then we put dirt down and graded and seeded."* This was an unusual assignment.

AWARD SUMMARY

Having considered the evidence in accordance with applicable Statutory Criteria, I have made the Awards set forth above on each issue. I have adopted the Union's Last Offer on all issues except for the consolidation of the HEO and the Senior Heavy Equipment Classification. The resolution of the dispute on that issue shall be as provided above.

The Parties May 1, 2005 through April 30, 2009 Collective Bargaining Agreement shall become effective and is to incorporate these determinations and all other matters previously agreed upon and signed off by the parties. The Retroactive wage increases shall be paid within 30 days of this Award.

James R. Cox
Arbitrator

Issued this 23rd of April 2007