ILLINOIS LABOR RELATIONS BOARD
INTEREST ARBITRATION
BEFORE ARBITRATOR ROBERT PERKOVICH

In the Matter of an
Interest Arbitration between

KANKAKEE COUNTY EMERGENCY	)	
TELEPHONE SYSTEM BOARD	)	
Employer,	)	
and	)	
	)	S-MA-09-041
ILLIONOIS FRATERNAL ORDER	)	
OF POLICE LABOR COUNCIL	)	
Union.	)	

INTERST ARBITRATION OPINION AND AWARD

A hearing was held on was held in Kankakee, Illinois on September 28, 2010, before Arbitrator Robert Perkovich who was chosen to serve as such by the parties, Kankakee County Emergency Telephone System Board ("Employer") and the Illinois Fraternal Order of Police Labor Council ("Union"). The Employer was represented by its counsel John Kelly and presented its evidence by narrative and through its witness, Tammy Peterson. The Union was represented by its counsel Heidi Parker and presented its evidence in narrative fashion. The parties filed timely post-hearing briefs that were received on December 24, 2010.

ISSUES PRESENTED

The parties have presented the following economic issues for resolution:

1. Wages
2. Health Insurance
3. Holiday Pay
4. Compensatory Time

BACKGROUND

The Employer operates as a public safety 9-1-1 dispatch that serves on or about ten police departments and 16 fire departments plus some related agencies such as animal control, public works, and mass transit. The Employer was formed in October 2002 and when the Kankakee County Sheriff and the Kankakee City Police and Fire departments consolidated dispatch centers. Each of those individual centers had F.O.P labor contracts

prior to the consolidation and the parties merged them into a single contract with an effective date of December 1, 2002.

The Union represents a bargaining unit consisting of telecommunicators and telecommunicator supervisors and the Employer and the Union are parties to a collective bargaining agreement that expired on November 30, 2008. Prior to the expiration of this agreement, the parties attempted to negotiate a successor labor contract. After several negotiation sessions and a mediation session held on September 2009, the parties could not reach an agreement on several issues and convened this interest arbitration. By stipulation, the parties have agreed that the issues to be determined in this arbitration are: wages, health insurance, holiday pay, and compensatory time.

THE COMPARABLE COMMUNITIES

The parties have stipulated that the external comparable communities for the purpose of this arbitration are Bradley and Bourbonnais, the only two other safety dispatch providers in Kankakee County. While Bradley employs 10 telecommunicators and Bourbonnais employs six, the Employer is the biggest of these three centers with 25 telecommunicators.

THE ISSUES

a. General

Under the general governing state law I am to follow certain factors in resolving this interest dispute. Those factors include:

1. the lawful authority of the employer;
2. stipulation of the parties;
3. the interests and welfare of the public and the financial ability of the employer to meet those costs;
4. external comparability in public and private employment;
5. the cost of living;
6. the employees' present overall compensation;
7. changes in any of the following categories 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 resolution of interests disputes.

Moreover, it is well-settled that the statute makes no effort to rank these factors in terms of their significance and thus it is for the arbitrator to make that determination as to which factors bear most heavily in any particular dispute. (See, e.g., *City of Decatur*, S-MA-29 (Eglit, 1986).

In reaching my conclusion set forth below I have considered all of the above mentioned factors in keeping with Arbitrator's Eglit' s well-founded observation.

b. Wages

The Employer's final offer uses a thirty (30) step table that was adopted from the contract which covered the Kankakee County dispatchers prior to the formation of the Employer. At the time of the consolidation of the two dispatch centers and the negotiation of the parties' first collective bargaining agreement the employees were placed on the wage table based on their seniority and then current wage. More particularly the Employer's final offer for the first year of the contract in question is that employees in steps 1-11 shall receive a 5% wage increase, that employees in steps 12-15 receive a 4.5% wage increase, that employees in steps 16-27 receive a 3% wage increase and that employees in steps 28-30 receive a 1% wage increase. In the second year of the agreement the Employer's final offer is that in those four categories employees will receive, respectively, 5%, 4.5%, 3% and 1% wage increases. In the third year of the agreement the Employer proposes that for employees in steps 1-20 there be a 3% wage increase, for employees in step 21 there be a 2.5% wage increase, for employees in step 22 there be a 2% wage increase and for employees in steps 23-30 there be a 1% wage increase. Finally, in the last year of the parties' agreement the Employer proposes that employees in Steps 1-22 receive a 3% wage increase, that employees in Step 23 receive a 2% wage increase and that employees in steps 24-30 receive a 1% wage increase.

In support of its final offer, the Employer justifies its wages based on a review of the salaries of the comparable communities of Bradley and Bourbonnais. The wage table for the Village of Bourbonnais contains 8 steps, start through 25 years. According to the Employer, its employees in the lower ranges of the salary table generally earn less than the employees of Bourbonnais and Bradley. However, its employees in the 25 year step earn more money than their counterpart at Bourbonnais and Bradley.

The proposal submitted by the Union is in some respects identical to that of the Employer and similar in other respects. For example, its final offer for the first year of the agreement is identical to that of the Employer as well as for steps 1-11, 12-16, and 17-21 in the second year. From that point forward however the Union's final offer differs from that of the Employer both with regard to the allocation of pay increase to various steps and the percentage wage increase in each instance. More specifically, the Union proposes that in the second year of the parties' agreement employees in steps 22-27 receive a 2% wage increase and that employees in steps 28-30 receive a 1.5% increase. In the third year of the agreement the Union's final offer is the same as that of the Employer for employees in steps 1-11, a 3% wage increase, but if differs from the Employer in that it allows for 4.5% wage increases for employees in steps 12-15, a 3% wage increase for employees in steps 16-21, and a 2% wage increase for employees in

steps 22-30. Similarly, in the last year of the agreement the Union offers, as does the Employer, a 3% wage increase for employees in steps 1-23, but provides for a 2% wage increase for employees in steps 24-30.

According to the Union, while at top pay the employees are above the comparables, top pay in the comparable jurisdictions is received at 25 years, while top pay for the employees in this unit is received at 30 years. According to the Union, these numbers are justified because the employees of this unit handle a wider range of calls. Also these numbers are supported by the cost-living data as well, which have shown an average of cost-living increase of 3.34.

The practical differences in the parties' wage offers is in the effect on the most senior employees. Regarding these employees, the Employer stated that they will receive not only the annual increase for the rest of the contract but the additional increases associated with the movement through the step process. Also by following its wage offer, the Employer asserts, the annual increase would be of 3.5%, more than the cost-of-living figures. Meanwhile, the Union would provide them with some form of increase; more in line with other employees are receiving, 3-2-2-2. The Union bases this potential increase on the increases provided by the comparables: Bradley provided the telecommunicators 3.5-3.5-3.5 in 2008, 2009 and 2010. Bourbonnais provided 4-3.4-3.5% in 2008, 2009 and 2010.

c. Health Insurance

There are two issues concerning the health insurance. First, there is a question of caps on premiums that the employees pay while the second issue concerns a change in contract language that provides what constitutes a "significant" or "substantial" change in insurance.

Based on the record, the employees are currently covered by health insurance through an agreement with Kankakee County as part of their insurance package. The Employer does not negotiate the packages, the County does. The collective bargaining agreement provides that employees will contribute 20% of the premium cost for single or family coverage. In addition, under the parties' expired contract the Employer agreed to "continue to provide the medical and hospitalization insurance for the employees and their dependents under the current PPO and HMO insurance coverage or reasonable equivalent thereof." Also, the Employer agreed "that there shall be no substantial or significant changes to coverage except by mutual agreement."

The Employer proposes in its final offer for an increase in the maximum dollar amount found in the contract and to eliminate the caps that were set in the 2003-2004 negotiations. The Union's proposal on the other hand provides an increase of 5% in caps for each year of the contract.

More specifically, the difference between the two offers is significant. For instance for the year of 2010, the Employer has proposed as the maximum employee monthly contribution for a family the sum of $408.00, for the employee's child $287.00, for the employee's spouse $305.00 and for a single employee the sum of $140.00. The Union's offer is, respectively, $249.90, $1,160.83, $168.68 and $77.18. While the Union's offer proposes a 5% increase each year, the Employer's offer proposes a 16-19% increase from the previous year.

The Employer justifies its increases in the employees' monthly contributions on the increase in the costs of providing insurance. For instance for the year of 2010, Employer's costs for health insurance are on a monthly basis $262.96 for family, $184.57 for employee's child, $194.33 for employee's spouse and $89.18 for a single employee. As its supporting evidence, the Employer uses both the comparables Bourbonnais and Bradley which provide a 20% premium contribution by the employees. Also neither of these comparables contains a dollar cap on the premium contribution amount.

Regarding the second issue, the Employer proposes to alter the definition of "substantial" or "significant" change found in the Health Insurance Article. Its offer is to define those terms as $500.00 for changes in plan deductibles. On this issue, the Union's offer provides: "status quo, more than $100 increase to deductibles is a "significant change."

d. Holiday Pay

There are two issues on holiday pay. The first is the issue of pay for call-out. Under the current agreement, if an employee is called and mandated to work, he or she would receive three times regular pay. If an employee is called and volunteers to work, they receive 2.5 times their regular pay.

The Employer proposes to maintain this status quo. On the other side, the Union's proposal is that the employees receive three times their regular pay for all call-outs. The Union's supporting argument is that its offer would encourage employees to volunteer and would lead to higher productivity since the employees would spend less time trying to find someone to work. The Union points out the external comparables' similar practices in that neither Bourbonnais nor Bradley differentiates between those who volunteer and those who are mandated to work. All their employees receive the same pay to work on a scheduled day off on a holiday.

Regarding the second issue, holiday work, the Employer proposes to alter the current holiday practice by segregating the most popular holidays into a Class I holidays: New Years Day, Fourth of July, Thanksgiving and Christmas Day. As an incentive for employees to work these holidays, the Employer proposes a triple time payment if they volunteer to work the holiday. The other eight holidays, Class II holidays, would be compensated at the current holiday rate. Additionally, the Employer's proposal would remove the eight hours of compensation currently paid to employees who have a

regularly scheduled day off on the holidays. The Employer contends this proposal is appropriate because the employees who are already enjoying the day off would not receive additional compensation, because there would be an incentive offered to those who volunteer to work the holiday, and because the costs saving associated with not paying people who are already off would help pay for the incentive benefit for the Class I holidays. The Employer points out to the contract for Bourbonnais that contains a similar type of holiday incentive.

On the other hand, the Union's offer proposes that the current provision should govern. Under the current contract, all the holidays are ranked the same. Also, the current contract provides that the employees not working the holiday eight hours pay. The Union notes that by accepting the Employer's offer, the employees would suffer a decrease in holiday pay, on average from 192 hours to 184 hours.

e. Compensatory Time

On this issue, the Union proposes to retain the status quo. The Employer proposes several language changes that should govern the use of compensatory time. The first change is to eliminate emergency use of comp time. The Union's proposal is that, under the current contract, an employee must request it at least 48 hours in advance unless there is an emergency. Secondly, the employer's proposal prohibits the use of comp time if seven employees are on pre-approved time off. The Union's position is that an employee can use comp time if no other telecommunicator on the same shift is off using comp time.

Next, the Employer's proposal creates the right to cancel approved comp time at a moment's notice if an employee unexpectedly calls in sick. The Union proposes the status quo which does not create such a right. The Employer also proposes that no comp time will be approved if it would be necessary to hire overtime to provide for adequate staffing. The Employer justifies this change on costs, economic and in terms of number of hours employees are required to work to cover the open shifts. The Employer reports that for 2009, employees used an average of 105.9 hours of compensatory time. The total cost for Employer of covering the shifts where overtime was necessary was $40,253.82.

The next change that the Employer proposes is that comp time shall be used in four (4) to eight (8) hours blocks. Under the current contract that the Union proposes, there is no such restriction on the use of comp time. Finally, the Employer proposes that "no requests for comp time shall be submitted until the time has been earned and is on the books." On this issue, the Union would not object, however, even if this is not actually an issue, the Union finds the language "on the books" unclear. The Union brings as supporting evidence the Bradley and Bourbonnais contract portions that discuss comp time and which are similar to the status quo that the Union proposes.

DISCUSSION

On the issue of wages both parties agree that efforts should be undertaken to increase the compensation of bargaining unit employees in the lower end of the wage schedule relative to the external comparables and thus, as noted above, there is substantial agreement between the parties as to the wage increase for employees during the life of the agreement at issue who are between steps 1-21 in the first two years of the agreement, for employees between steps 1-11 in the third year, and steps 1-23 in the last year of the agreement at issue. It is with respect to the wage increases for the employees with more years of service that the parties' disagreement grows.

On this point of contention the Employer argues that its final offer should be adopted because it "distinguishes those areas where (it) is behind (the external comparables)...and places more money (there)...to narrow the gap..." The Union, while not necessarily disagreeing with the Employer's characterization, instead argues that the Employer is wrongly asking employees with more service to pay the price of the adjustment that both parties agree is needed.

In weighing those two arguments it seems to me that both are correct. Thus, the arguments are of little aid in choosing between the two final offers. Rather, I believe that the better approach is to ground the choice in the applicable statutory factors, external comparables and the cost of living, and when I apply those factors I am compelled to adopt the final offer of the Union.

I do so because in both of the external comparables, the wage schedule ends with twenty-five years of service and thus they are helpful, but not dispositive of the choice between the two final offers. However, where the external comparables are very useful is the fact that in the last three years of the agreements in those two communities the wage increases are 4%, 3.5% and 3.5% in Bourbonnais and 3.5% in each of those years in Bradley both of which square more favorably with the Union's final offer rather that that of the Employer which provides for wage increases between 1% and 2.5%

Finally, the Union's final offer squares much more favorably with the relevant cost of living which, depending on the index used, ranged between 2.9% to 3.9% for an average of 3.34% and it is more in line with cost of living and other relevant economic prognostications. (See e.g.s, "Prices Starting to Creep Higher," USA Today, February 4, 2011 where it is noted that the consumer price index in December rose 1.5% and that wholesale prices had increased 4% and "Higher Pay Gains Seen For 2011," Wall Street Journal, February 11, 2011 where it is reported that the Fuqua School of Business at Duke University and the Society of Human Resource Management predict, respectively, pay increases in 2011 between 2.5 and 3%.)

Thus, I adopt the Union's final offer.

I turn next then to the issue of holiday pay where the Union's final offer is limited to increasing the amount of pay employees receive when they are called out to work on a

holiday and where the Employer's final offer reduces that amount when employees volunteer to work on a holiday and changes most, if not all, of the parties' status quo with regard to holiday pay.

To that end the Employer proposes that henceforth holidays be placed into one of two categories, Class I or Class II, and that the treatment of those holidays differ from one another and from the status quo. Moreover, its final offer also provides that employees who are off from work on approved leave on the day before a holiday are not eligible for holiday pay and that also provides for a new pay rate for employees who work additional hours on a holiday.

In support of its final offer the Employer asserts that it will minimize the number of employees who must be ordered to work on holidays, that eliminating employees who are on approved time off on the day before a holiday from holiday pay eligibility will motivate employees to work on holidays and, finally, that the external comparable of Bourbonnais has a "similar" type of incentive. The Union on the other hand, while agreeing in its post-hearing brief that "the holiday call out system is broken," contends that the Employer has failed to demonstrate how its final offer will achieve the goals that it asserts will be met and that its own final offer as to the rate of pay when employees are called out to work on holidays is supported by the external comparables.

After carefully studying the record I must confess that I am at a loss to understand how the Employer's final offer will achieve its goals. First, its own exhibit, Exhibit 4, shows that there has been no more than 24 hours of mandated overtime for holidays in any given year between the years 2007 and 2010 and that in 2010 there were no such hours of pay. Secondly, I cannot agree that the incentive to work on holidays in Bourbonnais is "similar" when it is only eight hours of pay as compared to the same rate paid by the Employer.

On the other hand, the Union's final offer squares more favorably with the external comparables where neither makes a distinction between employees who volunteer or those who are mandated to work on holidays. Moreover, it has the added benefit of not disrupting the parties' status quo[1]. Thus, I adopt the Union's final offer.

When dealing with the issue of compensatory time I again find myself facing some of the same concerns identified above. For example, the Employer asserts that its final offer is designed to enhance "management's ability to regulate the use of compensatory time (because it) can require the Employer to fill the open shift with an overtime hire..." and that because the Employer spent over $40,000 in overtime to staff open shifts due to the use of compensatory time the issue is a legitimate one. Assuming *arguendo* that the Employer is correct, I must however agree with the Union that the Emplolyer's final offer raises more questions than answers. Moreover, the Employer did not demonstrate how

[1] I am painfully aware of the fact that both parties seem to believe that some alteration to their holiday pay protocol is necessary and I applaud then for their mutual recognition of that fact. Sadly however, I believe that the topic is better suited to informed discussion at the bargaining table rather than the vicissitudes of interest arbitration.

various elements of its final offer, e.g.s, eliminating the use of compensatory time for emergencies, limiting the use of compensatory time to blocks of four or eight hours, requiring that compensatory time must be recorded before it can be used, will achieve the stated purposes.

Thus, these questions, plus in light of the fact that the external comparables contain no such similar provisions, compel me to adopt the Union's final offer on this issue.[2]

The final issue for disposition is that of health insurance and it is that issue to which I now turn.

On this issue there are two components to the parties' respective final offers. In the first both propose that employee contributions be increased. In the second, only the Employer proposes a change to current contract language.

With regard to the first issue the Union proposes that employee contributions for health care premiums increase by 5% with a cap such that the contribution for single, employee and spouse, employee and children, and family coverage will not exceed $70, $153, $145.20, and $227.20, respectively, to ranges of, respectively, $73.50-$85.06, $160.65-$185.96, $145.20-$177.31, and $238.$265.51 in each of the four years of the parties' agreement. The Employer on the other hand proposes that the range of those contributions be increased to, respectively, $120-$195, $255-$420, $245-$400, and $350-$565.

In support of its final offer the Employer asserts that its final offer recognizes increasing health care costs and that under the final offer employees will pay a "true 20% ...contribution..." The Union on the other hand asserts that when the Employer realized a significant decrease in insurance rates, a fact the Employer concedes, it did not pass on those savings to employees[3] and that the external comparables favor the Union's proposal as only Bourbonais has a cap and that the cap in that community is only between $250-$280.

In weighing the two final offers I find myself troubled. On the one hand for an employer to seek relief on the issue of health care expenditures is clearly not unreasonable nor is it unusual. On the other hand, the Employer's final offer is clearly not in line with the external comparables and would represent a substantial change. This is not to say that the Employer should not seek such relief. Rather, it is to say that perhaps it was better positioned to obtain such relief at the bargaining table and not in interest arbitration where I am compelled to adopt the more reasonable of the two final offers.

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[2] I am mindful and sympathetic to the Employer's argument that part of its final offer is intended to simply codify the parties' past practice. However, as this is final offer arbitration I must choose all, and only all, of either parties' final offer.

[3] Although the Employer concedes that it realized such savings it also points out that it does not negotiate health care coverage but that the City of Kankakee does so and the Employer merely follows suit.

On the second component of the health insurance issue the Employer seeks to change the parties' contractual definition of what constitutes a "significant" change in deductibles that triggers the requirement that the parties mutually agree to such a change. More particularly, the Union seeks to maintain the status quo, defining "significant" as an increase of at least $100 and the Employer seeks to increase the trigger from $100 to $500. In support of the proposed change the Employer relies on the fact that it has already been advised that deductibles changed from $250 to $500 effective October 1, 2010 and on the savings in health care costs that are referenced above.

In weighing these two proposals I am again constrained by the interest arbitration procedure. That is, having concluded that the Union's final offer on the contribution caps is the more reasonable I cannot accept the Employer's final offer on this issue as the more reasonable. Thus, I find for the Union.

AWARD

1. The Union's final offer on wages is adopted.
2. The Union's final offer on compensatory time is adopted
3. The Union's final offer on holiday pay is adopted
4. The Union's final offer on health insurance is adopted.
5. The parties' tentative agreements are hereby adopted.

DATED: February 14, 2011

Robert Perkovich, Arbitrator