

**IN THE MATTER OF ARBITRATION**

**BETWEEN**

**City of Woodstock**

**AND**

**City of Woodstock Police Department**

**ARBITRATION AWARD:**

**ILLINOIS STATE LABOR  
RELATIONS BOARD CASE NO.  
S-MA-10-136**

**ILLINOIS FRATERNAL ORDER OF  
POLICE - LABOR COUNCIL**

**Before Raymond E. McAlpin,  
Neutral Arbitrator**

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**APPEARANCES**

**For the Union:**

**Gary Bailey, Attorney  
Aaron Janik, Attorney**

**For the Employer:**

**Susan Love, Attorney  
Roscoe Stelford, Finance Director  
Janelle , Human Resources Director**

**PROCEEDINGS**

**The Parties were unable to reach a mutually satisfactory settlement of their negotiations covering the period May 10, 2010 - April 13, 2013 and, therefore, submitted the matter to arbitration pursuant to the Illinois Public Employee Labor Relations Act. The Parties did**

not request mediation services. The hearing was held in Woodstock, Illinois on March 2, 2011. At these hearings the Parties were afforded an opportunity to present oral and written evidence, to examine and cross-examine witnesses, and to make such arguments as were deemed pertinent. The Parties stipulated that the matter is properly before the Arbitrator. Final briefs were received on April 30, 2011.

#### STATUTORY CRITERIA

- (h) Where there is no agreement between the Parties, or where there is an agreement but the Parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and the wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, 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 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.**
  
- (I) In the case of peace officers, the arbitration decision shall be limited to wages, hours and conditions of employment and shall not include the following: (I) residency requirements; (ii) the type of equipment, other than uniforms, issued or used; (iii) manning; (iv) the total number of employees employed by the department; (v) mutual aid and assistance agreements to other units of government; and (vi) the criterion pursuant to which force, including deadly force, can be used; provided,**

nothing herein shall preclude an arbitration decision regarding equipment or manning levels if such decision is based on a finding that the equipment or manning considerations in a specific work assignment involve a serious risk to the safety of a peace officer beyond that which is inherent in the normal performance of police duties. Limitation of the terms of the arbitration decision pursuant to this subsection shall not be construed to limit the factors upon which the decision may be based, as set forth in subsection (h).

**OPEN ISSUES**

| <b><u>UNION POSITION</u></b> | <b><u>EMPLOYER POSITION</u></b> |
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| <p align="center"><b><u>May 1, 2010 through April 30, 2011</u></b></p> <p>Wage increase freeze-officers who are not at the top pay step shall immediately move to the step they would have ascended to in the prior fiscal year had there not been a step freeze.</p>  | <p align="center"><b><u>May 1, 2010 through April 30, 2010</u></b></p> <p align="center">0%</p> <p>Step increase - no step increase.</p>   |
| <p align="center"><b><u>May 1, 2011 through April 30, 2012</u></b></p> <p>Wage increase 2% across the board.</p>   | <p align="center"><b><u>May 1, 2011 through April 30, 2012</u></b></p> <p align="center">1%</p> <p>One step increase effective May 1.</p>  |
| <p align="center"><b><u>May 1, 2012 through April 30, 2013</u></b></p> <p>Wage increase 2% across the board.</p>   | <p align="center"><b><u>May 1, 2012 through April 30, 2013</u></b></p> <p align="center">2%</p> <p>One step increase effective May 1.</p>  |
| <p align="center"><b><u>Health Insurance Provision</u></b></p> <p>Status quo.</p>  | <p align="center"><b><u>Health Insurance Provision</u></b></p> <p>May 1, 2011 - 20% maximum contribution.<br/>Maximum caps: Single - \$40; Family - \$100</p> <p>May 1, 2012 - 20% maximum contribution.<br/>Maximum caps: Single - \$48; Family - \$120</p> |
| <p align="center"><b><u>Disciplinary Provisions</u></b></p> <p>Officers are permitted to choose whether disciplinary disputes will be resolved through the grievance arbitration provisions of the Collective Bargaining Agreement or through the City of Woodstock Board of Fire and Police Commission.</p> | <p align="center"><b><u>Disciplinary Provisions</u></b></p> <p>Status quo.</p>   |

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**UNION POSITION**

**The following represents the arguments made on behalf of the Union:**

**EXTERNAL COMPARABLES**

**With respect to comparables, the Parties agreed that Cary and Huntley are appropriate. The Union would also add Algonquin, Lake in the Hills and McHenry. The City would add Belvedere, Grayslake, Loves Park, Wauconda, Yorkville and Zion to the comparables. The Union looked at the most populated cities in McHenry County. Neither side proposed Crystal Lake and neither side proposed Cary, Harvard, Marengo, Johnsburg, Spring Grove and Fox River Grove. Based on size, EAV, capita income, median home value, revenues and expenditures, crimes and crime index, those not included in McHenry County by either side are not comparable to the City of Woodstock.**

**The Union purposely stayed within McHenry County for its comparable communities. The Union's comparables are within 15 miles of Woodstock. They are all located in the same county and their citizens are impacted by the same county taxes.**

**The City for its part concocted arbitrary limitations without any explanation as to**

how it chose numbers. If the City had chosen to reduce its radius to 15 miles and not 50, it would be left with the communities proposed by the Union. For financial comparisons, the City chose plus or minus 50% of two of the three indices, sales tax per capita, general fund revenues per capita, and police expenditures per capita. The statistical gymnastics that the City went to in this process are not necessary when there is a handful of county communities that are sufficiently comparable.

With respect to internal comparability, while it is a factor for an arbitrator to consider, there was no evidence presented at the hearing that the Parties have ever considered internal comparisons throughout their history of collective bargaining. There was no evidence to suggest that either Party has ever referred to or considered the wages, benefits and terms and conditions of employment of other City employees when bargaining with police officers with the possible exception of the employees in the police civilian bargaining unit. The use of the statutory factor that considers the consumer price index has come under much criticism including that of this particular Arbitrator. The Union would note that the loss to the cost of living in the first year of the contract establishes a basis for wage increase in the following two years.

Regarding the interest and welfare of the public and the financial ability to pay, at no time has the City proven that it is financially unable to pay the wages and benefits sought by the Union in this interest arbitration. The City never produced any figures showing the difference between the costs of each final offer. The ending fund balance for the past number of years has shown that the City has collected enough revenue to save

reserve money in the event that the economy soured. The fund balance in Woodstock is a goal that most communities wish they could accomplish. Rather than concentrating on budgets, the Union has concentrated on the liquidity ratio and from 2005 through 2009, it paints an extremely favorable picture. The use of accrued dollars in the fund balances is just what is expected to occur when the economy shrinks. It is appropriate to use the fund balance as a cushion. The Union's proposal is easily affordable given the state of the City's finances.

#### WAGES

The Employer has proposed the splitting of the wage proposals into separate issues for each of the three years. A number of arbitrators have rejected this argument including Arbitrators Briggs, Hill, Goldstein, Nathan and McAlpin. Both Parties' final offers for the first year are identical. At the start of the second year the Union is proposing a 2% increase with regular step increases. The City is proposing a 1% increase and movement of step increases to the end of the fiscal year. In year three both sides are proposing a 2% across-the-board increase. The Union is again proposing the regular step increases on anniversary dates. The Employer is proposing step increases at the end of the fiscal year.

The Union would note that the delay in the step increases would depend on the anniversary hire date of the employee which, of course, results in a savings to the City. The

Union agrees in a delay in the step increases that would have been paid in year one but that all officers would be moved immediately to the step they were not given during the first year. The officers would also receive step movement in the second and third years of the contract in addition to the above. The City's proposal results in some officers receiving only one step movement during the three year contract. Some officers would receive no step movement during the entire term of the agreement except on May 1, 2013. The Parties agree on a 2% across-the-board increase for the third year. The external comparables favor the Union's proposal. The unit would go from a position of slightly ahead of average salaries of their comparable counterparts to distinctly behind the average salaries of their comparable counterparts. This disparity is the direct result of taking a wage increase in the first year. The Union's proposal will create a disparity but it will stand by its proposal and focus its efforts in the future to eliminate this disparity. The City wants the disparity to continue to the very end of the contract without any room for reversal.

In addition to the above, the cost of living supports the Union's final wage offer. Internal comparability, interest and welfare of the public and the employees' ability to pay are also non factors in this case. The City's proposal looks to a significant change in the manner in which officers move through the steps of the pay plan. The existing method, which is movement on anniversary date, was negotiated in the very first contract between the Parties. The City now wishes to disturb the status quo just to save a few dollars. Not one single external comparable supports the City's proposal to change the timing of the step movement. There is no quid pro quo that the City is proposing for its offer. The City avoided grandfathering or insuring that current employees would receive at least one step

movement during the term of the agreement. The City has not offered a legitimate reason to punish these officers and has not shown a proven and compelling need for the change. The Union's final offer on wages is strongly supported by the statutory factors. The Union has proposed the status quo. The City seeks to increase employee contributions as a source of additional revenue. The City is proposing the continuation of the wellness discount which would save employees a few dollars each pay period on his/her premium contribution. Even with this discount, police officers in the bargaining unit pay more for health insurance than non-union employees in the City during 2010. Police officers would be paying anywhere from \$300 more per year for single health insurance to over \$850 per year for dependent health insurance coverage. The City has the right to play favorites. It is not illegal, however, there is nothing illegal about the Union proposing that they should pay no more than any other City employee. It is the City that is proposing this inequity increase. Arbitrators have steadfastly applied the statutory factors found in Section 14(h). The external comparables show that officers in Woodstock are paying more than their fair share for health insurance. The proposal by the City is the highest of all external comparables. The Union has agreed to increases in health insurance contributions in the past, but the City is being unreasonable here asking police officers to make increased contributions where other City employees are getting a "double-discount." There was no showing that the City is unable to meet the costs, and the Union's final offer is strongly supported by the statutory factors.

The Union has made proposals in the existing contract changes in three separate provisions to clarify the rights of police officers. These changes would be at Article 14 and

15. The best the Union can tell the City has no substantive objection to the Union's final offer. The Union put forth a number of arguments along with case law supporting its position. The external comparables support the Union's position and numerous arbitrators were cited including this Arbitrator.

In summary, the evidence presented by the Union supports its final offers. As a result, the Arbitrator should adopt the Union's final offer.

#### **EMPLOYER POSITION**

The following represents the arguments and contentions made on behalf of the Employer:

The City is in a position in which understandable uncertainty about its finances in the future is paramount. While the City cannot predict exactly what 2011 and 2012 hold, it will include declining revenue, declining state financial assistance, increasing expenses and a rapidly disappearing City Fund balance. The City does not know how much further its revenues will be reduced by the State of Illinois, a continued decline in business growth and by its inability as a non-home rule municipality to raise taxes or even what other methods it can or will employ to reduce expenditures. The Union's request for a three-year contract is untenable and unrealistic in view of the fact that none of the other employees in the City will receive that level of increase.

**The City's selection of the external comparable pool is more reasonable and should be adopted by the Arbitrator. The City identified 35 communities for consideration of possible comparability. The City utilized a plus or minus 50% standard for geographic proximity, non-home rule communities, EAV limitations, revenue/expenditures factors, police officers and a Collective Bargaining Agreement.**

**The Union's self-serving methodology and analysis do not support its comparables. Several of the Union's proposed comparables have fund balances much higher than Woodstock. The Employer would also note that the Lake in the Hills agreement was the result of an arbitration and not arrived at through negotiation. The three home rule communities report expenditures for public safety that significantly exceed the level currently being incurred by the City of Woodstock.**

**The Union also relied on the crime index for various communities but it is the Employer's position that this is not a realistic measure of comparability. The Employer would note that the Union's data is outdated and full of discrepancies and/or errors whereas the City used the most current data available. The Union's data within its exhibits cannot be confirmed utilizing identified sources. This would include the number of employees, EAV comparisons and property tax levies. Out of 18 exhibits the City has identified a combination of errors and incomplete/misleading information within 12 of those presentations.**

**The City of Woodstock does not have the financial ability to meet the costs of the Union's proposal. The harsh reality is that a large percentage of comparable police departments have been cutting their total police department funding. The City of Woodstock will have and has had reduced revenue sharing amounts from the State of Illinois. This will continue since there is an \$8.3 billion spending gap within the State of Illinois' budget. The facts are that the City does not have the ability to pay the wages and benefits sought by the Union. In fact the City will have a difficult time complying even with its own proposal. The City over the last three years has experienced revenue reductions. The City's only option to control expenditures within the Police Protection Fund is through salaries and benefits. It is likely that the City will continue to be a non-home rule unit of government and, therefore, is subject to the Property Tax Extension Limit Law which will eliminate the City from generating additional property tax revenues over the next two to three years.**

**The Union's own proposal does not recognize the City's difficult position. In addition to a 2% wage increase in the second year, the Union is asking for two step increases within the same year. This is not supported by financial reality. On top of this are significant increases in the police pension contribution levels. The City does not anticipate any real help in this area for the next several years. It is clear that the interest and welfare of the citizens of Woodstock would not be served by accepting the Union's proposal.**

**The vast majority of the City's expenditures is comprised of wages and fringe**

benefits associated with personnel costs. These costs are rising at an alarming and untenable rate. While personnel costs are rising, there is no corresponding increase in City revenue. The City has attempted to appropriately allocate its revenue and funds and to keep the various bargaining units informed of the situation.

The City has made every effort to decrease its operating costs in an attempt to align its budgets for 2010 and 2011. Revenues are shrinking while expenditures are growing. The City has taken nine definitive steps in order to reduce its budget's costs. The Union's pay plan would exacerbate financial problems. The public safety expenditures have increased dramatically over the last ten-year period, much faster than the associated growth in revenue. Based on the above, the City's financial position favors the City's offer. Internal comparables support the City's wage and health insurance proposals. The City would note that the telecommunicators reached an agreement with the City on the same terms which are reflected in the City's final offer. Interest arbitration is not the venue in which Unit A should be used to break parity with Unit B. The Employer provided numerous citations including decisions by this Arbitrator in its argument.

An arbitration award which grants wages or benefits to one bargaining unit that was not obtained by another bargaining unit would likely undermine future bargaining efforts. This situation would mean that the Union is abandoning the joint collective bargaining efforts between the dispatchers and the sworn personnel. This would result in unrest and poor morale among employees. This would result in a decrease in positive morale and labor peace in the City and is foreign to the concept of good faith and fair

dealing.

Arbitrators have given great consideration to the issue of harmony within municipalities. Arbitrators have maintained that arbitration is not a substitute for bargaining and should not be used as a reward for holding out on settling contracts. Internal settlements carry greater weight than external settlements and numerous citations were provided.

External comparables support the City's proposed wage and insurance proposals. While the first year appears to be 0, the City will still be required to provide an additional \$40,264 in funding, \$30,631 of which results from salary increase provided as steps in the previous fiscal year on the officers' respective anniversary dates. Those now carry over into the subsequent year an additional \$9,633 resulting from additional benefits costs.

For the second and third years of the contract the proposals are significantly different with a \$150,405 increase from step increases and additional benefit costs. The Employer would note that the Union is requesting two step increases in fiscal years 11 and 12. In the area of benefit costs the City would incur an additional \$24,765. In fiscal years 12 and 13 an additional \$150,158 will be required to cover associated salary and benefit costs. The City would be required to provide an additional \$27,696 for employer contributions to the Police Pension Fund.

The Union's wage offer does not meet the statutory criteria. None of the external

**criteria provides for two separate step adjustments within the same year.**

**For fiscal 12/13 the Union and the City's across-the-board increases are identical at 2%. The City's proposal would also include a step increase on May 1 providing for one step increase per year. The associated increases would be \$216,613 in salary and benefit costs and in addition \$38,742 for the Police Pension Fund.**

**A comparison of the City and Union's wage proposals clearly shows that the City's proposal should be awarded. The City provided a template of dollar increases for the term of the proposed contract. The Arbitrator should not ignore or disregard the impact of the Union's offer on the City whose taxpayers are already staggering under the burden of an economic reality which they did not create.**

**The police wage increases in Woodstock compare favorably with the external comparables. It is the City's position that the Union's comparison of its external comparables has serious shortcomings. All in all the external comparables support the City's wage offer. The City's current top pay salary remains the second highest. The internal comparables also favor the City's position, particularly for the non-represented employees.**

**The City's health insurance proposal is supported by the comparables and the City offers competitive or superior benefits. Most employers, both private and public, require additional employee contributions and higher levels of cost sharing specifically aimed at**

employees with dependent coverage. The City has demonstrated a financial hardship that has resulted from providing health insurance to its work force. The City has experienced significant dollar increases in health insurance costs over the past ten years. Once again, the Union also has discrepancies in its insurance data as it contains errors. The Union has failed to provide actual payroll deductions for its comparable bargaining units. The employees of Woodstock have an opportunity for a wellness participation discount. No such opportunities are afforded any of the other proposed communities. Based on the above, the total compensation favors the City's offer with a more beneficial pay plan.

There is no basis for altering the status quo discipline procedure adopted by the Parties in the last round of bargaining. This allows employees to choose either the grievance procedure or the Board of Fire and Police Commissioners for the appeal of his/her discipline. This was a new provision drafted by the Union and accepted by the City of Woodstock during the previous negotiations. Prior to that there was no option to appeal discipline to arbitration. In the current language the Chief can only discipline up to a five-day suspension. Anything over that charges must be filed with the Fire and Police Commission seeking discipline or termination. Once the Fire and Police Commission makes its determination, then the language of Articles 14 and 15 can be implemented.

The Union has decided that it does not like this prior language, so in this arbitration it has proposed to strip the Board of Fire and Police Commissioners of its right to determine discipline. The status quo is the current language. The Union has not justified its position, provided strong reasons or a proven need. The only evidence it submitted is a

series of documents related to a disciplinary matter which arose before the current Collective Bargaining Agreement was ratified. The City refused to participate in arbitration since the new language was not effective at the time of the employee's discipline.

The Union's proposal is so devoid of process as to render it unworkable. The comparables do not support a change in this provision.

Finally, the consideration of the consumer price index (CPI) does not support the Union's final offer. The total package must be compared to the consumer price index. The City's offer exceeds the CPI, although somewhat less than the Union's offer.

Based on the above, the City's offer is currently established to be the most reasonable and should be adopted by the Arbitrator.

#### **DISCUSSION AND OPINION**

The role of an Arbitrator in interest arbitration is substantially different from that in a grievance arbitration. Interest arbitration is a substitute for a test of economic power

between the Parties. The Illinois legislature determined that it would be in the best interest of the citizens of the State of Illinois to substitute interest arbitration for a potential strike involving public employees. In an interest arbitration, the Arbitrator must determine not what the Parties would have agreed to, but what they should have agreed to, and, therefore, it falls to the Arbitrator to determine what is fair and equitable in this circumstance. The statute provides that the Arbitrator must choose the last best offer of one side over the other. The Arbitrator must find for each final offer which side has the most equitable position. We use the term “most equitable” because in some, if not all, of last best offer interest arbitrations, equity does not lie exclusively with one side or the other. The Arbitrator is precluded from fashioning a remedy of his choosing. He must by statute choose that which he finds most equitable under all of the circumstances of the case. The Arbitrator must base his decision on the combination of 8 factors contained within the Illinois revised statute (and reproduced above). It is these factors that will drive the Arbitrator’s decision in this matter.

Prior to analyzing each open issue, the Arbitrator would like to briefly mention the concept of status quo in interest arbitration. When one side or another wishes to deviate from the status quo of the collective bargaining agreement, the proponent of that change must fully justify its position, provide strong reasons, and a proven need. It is an extra burden of proof placed on those who wish to significantly change the collective bargaining relationship. In the absence of such showing, the party desiring the change must show that there is a quid pro quo or that other groups comparable to the group in question were able to achieve this provision without the quid pro quo. In addition to the above, the Party

requesting change must prove that there is a need for the change and that the proposed language meets the identified need without posing an undue hardship on the other Party or has provided a quid pro quo, as noted above. In addition to the statutory criteria, it is this concept of status quo that will also guide this Arbitrator when analyzing the respective positions.

Finally, before the analysis the Arbitrator would like to discuss the cost of living criterion. This is difficult to apply in this Collective Bargaining context. The weight placed on cost of living varies with the state of the economy and the rate of inflation. Generally, in times of high inflation public sector employees lag the private sector in their economic achievement. Likewise, in periods of time such as we are currently experiencing public sector employees generally do somewhat better not only with respect to the cost of living rate, but also vis-a-vis the private sector. In addition, the movement in the consumer price index is generally not a true measure of an individual family's cost of living due to the rather rigid nature of the market basket upon which cost of living changes are measured. Therefore, this Arbitrator has joined other arbitrators in finding that cost of living considerations are best measured by the external comparables and wage increases and wage rates among those external comparables. In any event, both sides have agreed that the wage increases for this bargaining unit would exceed the cost of living percentage increases no matter what source. \_

COMPARABLES

EXTERNAL

**In this Arbitrator's experience of over three decades he cannot remember an interest arbitration where the Parties are so far apart on external comparables. Surprisingly enough, the Parties have agreed on the cities of Cary and Huntley, which will be accepted by the Arbitrator.**

**The Union has proposed three other cities, all of which are in McHenry County, those being Algonquin, Lake in the Hills and McHenry. The City has rejected those three comparables and has proposed six other comparables - Belvedere, Grayslake, Loves Park, Wauconda, Yorkville and Zion, all of which are in different counties and significant distances from Woodstock. This Arbitrator has utilized the following criteria basically in an order of importance to the Arbitrator. Those**

would be geographic proximity, recruiting area, similar tax base (particularly County Tax Structure), whether the units are unionized or not, number of sworn officers, crime statistics, population, median home value, median household income, EAV and whether the city is home rule or non-home rule.

The following counties that are represented in the City's proposed external comparables include McHenry, Lake, Boone, Winnebago and Kendall. These counties are anywhere from significantly to somewhat different than McHenry County, and they certainly are not what could be considered geographically proximate. More comparables in an external comparable list are not necessarily better than fewer comparables that more closely meet the criteria.

Based on the above, the Arbitrator finds that the Union's proposed external comparables are the most appropriate under the circumstances of this case.

### INTERNAL COMPARABLES

The Employer made a significant argument regarding the dispatchers bargaining unit. That unit decided to settle with the City on a similar basis to the City's proposals in this arbitration. This Arbitrator has consistently held that, with the possible exception of firefighters, internal comparables in relation to police units are essentially meaningless. It is true that dispatchers do work closely with sworn officers, but their jobs are extremely different. Dispatchers do not put their personal safety at risk during the normal performance of their jobs.

Internal comparables may have some use when be comparing fringe benefits of those groups to police units. This concept will be considered by the Arbitrator in the health insurance provisions in this case.

### INTEREST AND WELFARE OF THE PUBLIC

Regarding this factor, it is obvious that under most circumstances the public's interest would be served by a government that operates economically. Unions often bring forward, as part of this argument, the long-term morale of the bargaining unit which this Arbitrator finds has some merit. Let's face it - in this matter both proposals would require

some hardship on the part of the City in order to fund it. There is no overall showing that the City cannot pay, but the statistic that is most meaningful to this Arbitrator is the ending fund balance which has steadily reduced since 2004 with significant reductions in 2008, 2009 and 2010. There is over a \$1,100,000 decrease in the ending fund balance over the past seven years. There is no showing that this will not continue to decline.

### **DISCIPLINE**

Despite the above, this is not your typical status quo situation. The Arbitrator would note that the Union could not fully bargain this concept until lately due to a change in the Fire and Police Commission Act and it has made this an issue as soon as it possibly could. This, of course, does not alter the fact that the Union still bears the burden of proof in this matter as it is the entity that wishes to deviate from the status quo.

It is true that the Employer has addressed some of the Union's concerns in its prior CBA. It is also true that nothing in the statute or court decisions requires the Parties to agree, but it is interesting to note that, since the Parties did not agree, this matter will be settled in arbitration. The Union does not have to show that the WBFPC is broken, only that grievance/arbitration is significantly preferable. This award should not be considered in any way disparaging toward the commissioners of Woodstock, but certainly there is an appearance of potential bias. The commissioners are appointed by the City without any input from the Union or the bargaining unit, and it is hard for the Commission to overcome this perception. The Arbitrator would wonder why these particular unionized

workers have no access to a grievance arbitration procedure where the vast majority of unionized workers do have such access. The Arbitrator would also note that, even if the City's proposals were implemented, this does not necessarily mean that the Commission would choose to follow them. The Employer did try to make the process appear fair. There is, however, no guarantee that this would be adopted by the WBFPC or the courts.

Other Employer's have relied heavily upon an award by Arbitrator Harvey Nathan in the Village of Westchester case dated January 13, 2011. In that matter the Arbitrator found in favor of the Village of Westchester with respect to the Fire and Police Commission. This Arbitrator has the greatest respect for Arbitrator Nathan whom he has known for approximately 30 years, but in this matter this Arbitrator finds himself disagreeing with the conclusions made by Arbitrator Nathan with respect to the Westchester BPFC. In that matter the Arbitrator found that the external comparables favored the Employer and therefore there existed no need for change. That is not the case regarding Woodstock.

With respect to the discipline proposal, it is very difficult for an arbitrator of approximately thirty (30) years experience to argue against arbitration and in favor of a Police and Fire Commission. The facts are, in this Arbitrator's experience, that there is a clear trend of bargaining units in the public safety arena toward arbitration and away from fire and police commissions. This is understandable. Police/Fire Commissioners are appointed by the people who are making disciplinary decisions which affect this bargaining

**unit. There is an appearance, perhaps not a fact, but at least an appearance that this is patently unfair; and this Arbitrator agrees.**

**In addition, this is the first time that this has been a mandatory subject of bargaining. There was no showing that an opportunity previously existed to allow this in the bargaining agreement. The fact is that arbitration is fair. Both Parties must agree on the arbitrator for an arbitration to proceed. Both Parties agree that arbitration is fair. Both Parties seem to agree that there is at least a perception that the Police and Fire commission is biased in favor of the City.**

**Arbitrators are much more experienced in handling these types of cases than Police and Fire Commissions, particularly in a small village like Woodstock with a small number of cases appearing before the Commission. The facts are that arbitrators know how to make rulings which have their basis in law, just cause, facts and fairness since both sides have a critical part in choosing the arbitrator and they have endorsed the process as being a fair and reasonable way to resolve a dispute. This Arbitrator finds himself in complete agreement with those arbitrators (Meyers, Briggs, and Perkovich and Wolf). The facts are that, as the Union stated, arbitration is private and avoids undue embarrassment. It can be a less expensive way to resolve these disputes. Arbitrators are much better equipped to deal with disciplinary matters than a commission. In addition, the external comparables favor the Union's proposal and, therefore, it is that proposal that will be included in the contract which is in dispute in this matter.**

## HEALTH INSURANCE

**In this matter the Employer wants to deviate from the status quo and is required to prove its position in accordance with the above conditions. The City must show either a quid pro quo or that other groups comparable to the group in question were able to achieve this provision without a quid pro quo. There also must be a proven need and the language must meet the identified need.**

**There is no question that for almost all employers there is the tremendous burden of funding health insurance premiums. In this matter the Employer wants the bargaining unit to fund these premiums at a higher level than it has done so in the past. The Union argued that there is currently an inequity between the police officers and other internal comparables in the City of Woodstock and that the City now wants to increase that inequity. The Arbitrator would also note that there is an inequity among the external comparables with respect to this bargaining unit. The City would propose that the officers pay the highest dollar contributions among the accepted comparables.**

**In any event the Arbitrator finds that the City simply has not proven to the extent necessary its position that a deviation from the status quo is appropriate and, therefore, will find that the health and welfare contributions will remain the same as in the current Collective Bargaining Agreement.**

## WAGES

Prior to getting into the nuts and bolts of the wage proposals, the Parties seem to have a dispute as to whether or not the wage proposal should be one economic proposal or three economic proposals. Obviously, the difference is that with one economic proposal the Arbitrator's authority is limited to choosing either the Union's total position on wages or the Employer's total position on wages. This Arbitrator has already decided a case involving the Cook County Sheriff and the FOP that such splitting of the wage proposals into three separate economic proposals is inappropriate. This also has been considered and ruled in the same fashion by Arbitrators Briggs, Hill, Goldstein and Nathan, therefore, the Arbitrator will find that the wage proposals are a single proposal and that his authority is limited to accepting either the City's proposal or the Union's proposal.

There is no question that this City of Woodstock is in a difficult economic position as are most cities in Illinois, particularly those who are non-home rule. This Arbitrator has already alluded to the sharp decrease in the ending fund balances over the past seven years. Both sides have made a significant effort to alleviate some of the economic problems facing the City. While the Union's proposal is slightly favored by the external comparables, the Employer's proposal is significantly favored by the internal comparables. The Arbitrator would again note that police units are not particularly comparable to other employee groups within the city even telecommunicators.

**Based on the numerous arguments presented by both sides and the current economic difficulties facing the City of Woodstock and the uncertain future due in great part to the City's non-home rule status and the problems with the State of Illinois, the Arbitrator must find that it is the Employer's wage proposal which most closely meets the criteria contained in the Act. This ruling is based solely on the current economic situation facing Woodstock.**

**AWARD**

**Under the authority vested in the Arbitrator by Section XIV of the Illinois Public Employees Labor Relations Act the Arbitrator finds that the discipline and health insurance proposals of the Union and wage proposals of the Employer for wages and Union for the remainder of the issues most nearly comply with Sub-Section XIV(h) are the accepted offers.**

**Dated at Chicago, Illinois this 24<sup>th</sup> DAY of May, 2011.**

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**Raymond E. McAlpin, Arbitrator**