

**ILLINOIS LABOR RELATIONS BOARD**  
**BEFORE**  
**BRIAN E. REYNOLDS**  
**ARBITRATOR**

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**In the matter of the Interest Arbitration  
between**

**CITY OF DANVILLE,**

**Employer**

**and**

**ILRB Case No. S-MA-10-300**  
**Hearing: April 27, 2010**  
**Award: May 29, 2010**

**DANVILLE COMMAND ASSOCIATION  
IAFF LOCAL 429,**

**Union**

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**OPINION AND AWARD**

**APPEARANCES:**

**For the Union:**

Sean O'Kane  
IAFF Local 429 President  
308 E. Autumn Drive  
Oakwood, IL 61858

**For the Employer:**

David B. Wesner  
City of Danville Corporate Counsel  
17 W. Main St.  
Danville, IL 61832

**PROCEEDINGS**

This is an interest arbitration under Section 14 of the Illinois Public Labor Relations Act (Act) to determine disputed terms of the successor to the collective bargaining agreement (Agreement) between the City of Danville (City or Employer) and the Danville Command Association, IAFF Local 429 (IAFF or Union) for the following bargaining unit of the Employer's employees:

all sworn officers of the Danville, Illinois Fire Division above the rank of Lieutenant, but excluding the Director of Public Safety, mechanics and clerical personnel.<sup>1</sup>(Command Unit)

The City is located in eastern Illinois and governed by a Mayor and City Council. The Unit consists of approximately 7 employees.

The Agreement had an expiration date of April 30, 2009. The parties were unable to approve a successor Agreement and resolution of the matter was submitted to the interest arbitration procedures of the Act.

The parties selected the undersigned to serve as the neutral arbitrator for the interest arbitration. A hearing was held on April 27, 2009 at the Employer's offices at which time the parties were afforded an opportunity to present testimony, exhibits, and other evidence relevant to the dispute.<sup>2</sup> The parties timely submitted post-hearing summations by May 10, 2010. All issues except the ones contained in the following award have been agreed to and/or withdrawn.

## **ISSUES**

The following are the issues remaining to be resolved:

### **1. Wages**

What shall the wage increases be for each year of the successor Collective Bargaining Agreement?

### **2. Health Insurance**

What changes shall be made to the Unit members' health insurance contributions?

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<sup>1</sup> Article II of the Agreement, Joint Exhibit #3C

<sup>2</sup> The parties agreed to use an alternative dispute resolution procedure under Section 14 of the Act. Under this procedure, the proceedings were not transcribed.

## FINAL OFFERS

### 1. Wages

**Union** 3.5% increase effective May 1, 2009  
3.5% increase effective May 1, 2010

**Employer** 0% increase effective May 1, 2009  
2.5% increase effective May 1, 2010

### 2. Health Insurance

		Contribution Level:		
		Individual	1 Dependent	2 or more Dependents
<b>Union</b>	5/1/09	0	\$105	\$115
	5/1/10	\$35	\$120	\$130
<b>Employer</b>	5/1/09	\$35	\$105	\$115
	5/1/10	\$50	\$120	\$130

## STATUTORY FACTORS

Section 14(h) of the Act provides the following:

When 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 to the existing agreement, and wage rates or other conditions of employment under the 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) Comparisons 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.

Section 14 (g) of the Act sets forth the standard for selection of offers made by the parties:

...As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in subsection (h). The findings, opinions and order as to all other issues shall be based on the applicable factors presented in subsection (h)

In this case, the wage and insurance issues are economic and I am, thus, constrained to adopt a final offer from one of the parties for each issue.

## **DISCUSSION AND ANALYSIS**

### ***1. Negotiations***

The IAFF represents 2 units of the City firefighter personnel; a unit of the firefighters and lieutenants (Firefighter Unit) and the unit at issue here, the Command Unit. The IAFF represents the Command Unit through the Danville Command Association.

In 2009, IAFF and City negotiated successor Agreements for both units. Due to budget factors, the City sought cost savings from the personnel part of its Fire Division.

Rather than give up pay raises, the Union sought to agree to other cost savings. Thus, the IAFF agreed to reductions in manning, staffing, overtime and time off in exchange for a 3.5% wage increase for both years of the agreements. The IAFF and City reached tentative agreements for both units, containing the 3.5% raises.

The City started implementing the cost savings in the Fire Division on May 1, 2009. The changes resulted in savings of approximately \$187,000 for the 2009 and 2010 fiscal years. Additionally, the City saved approximately \$405,000 by eliminating positions in the Units.<sup>3</sup> The City Council has ratified the Firefighter Unit agreement but has twice rejected the proposed Command Unit agreement. The issues that are still not acceptable and agreed upon are wages and Unit members' health insurance individual contribution levels.

## **2. Comparables**

In evaluating the relative merits of the two proposals, I must use the factors contained in Section 14 of the Act. Historically, an important factor used by interest arbitrators in Illinois has been external comparables.<sup>4</sup> The comparables proposed by the Union were the following Illinois communities: *Galesburg, Belleville, Normal, Alton, Freeport, Pekin, Granite City, DeKalb, Quincy, Rock Island, Champaign, Urbana, and Kankakee*. After reviewing the record, I accept these communities as comparables.<sup>5</sup> The evidence is that the Unit members are slightly below the average salaries in the comparable communities. Accepting the Union's wage proposal would still result in the Unit members' wages remaining below the average of the comparables.<sup>6</sup> Under the

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<sup>3</sup>City Exhibit #1. The cost savings are from the Fire Division as a whole, not just the Command Unit.

<sup>4</sup> See footnote 23 in *County of Rock Island and AFSCME*. (Benn, April 7, 2010)

<sup>5</sup>The large number (13) of comparables utilized and the fact that comparisons were to an average of the communities rather than any individual city minimizes any issue with any particular city's comparability. Union Exhibit 2

<sup>6</sup> The Union exhibit indicates that the Danville would rank 8 out of 15 and 5 out of 9 communities. According to my count, it should be 14 and 8 total communities, respectively.

Union's wage proposal, the Danville Unit members would actually fall from 8th highest out of 14 communities, to 9th highest out of 14 communities in fiscal year 2009. Out of the 8 communities with agreements for 2010 wages, Danville would rank 5th out of the 8 communities. The Employer's proposal would put the Unit members even further behind the average wages of the comparable communities.

I also believe it is appropriate to consider the internal comparables presented in this case. The other Unit in the Fire Division, the Firefighter unit, will receive a 3.5% annual increase under their agreement. Thus, the Command Unit's subordinates' wages will be getting closer to their superiors under the Employer's proposal. Adoption of the Union's proposal would maintain the current relative wage levels in the Fire Division.

### **3. Ability to Pay**

In support of its proposal, the City claims a budgetary situation that limits its ability to pay for the wage increases proposed by the Union. The City presented evidence that for FY 2009 the City's revenues would be flat, and that cuts in personnel costs need to be made.<sup>7</sup>

However, as mentioned earlier, the Union presented evidence that it agreed to cuts in manning, personnel and overtime to help allay the budget situation. In return for these reductions, the Union sought to maintain 3.5% annual wage increases for its remaining staff.

While I appreciate the financial constraints on the City and other Illinois municipalities during this time period, the evidence does not support its inability to pay argument. The City sought to reduce personnel expenses in the Fire Division. The Union

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<sup>7</sup> City Exhibit #1

agreed to certain reductions and the City has incurred significant savings by these reductions.<sup>8</sup> Based on these savings, the City has the ability to pay the 3.5% increases requested by the Union.<sup>9</sup>

## **CONCLUSION**

### **1. Wages**

The external comparable evidence supports a finding that the Union's wage proposal is more appropriate to keep the Unit members in line with other communities' fire command staff. Additionally, the Union's proposed wage increase would be the same as that received by the other employees in the Fire Division. Finally, the evidence on the Employer's inability to pay reveals that the City has realized savings in its Fire Division personnel costs that enable it to afford the wage increases proposed by the Union.

Based on this evidence, I find that the Union's wage proposal is the more reasonable proposal.

### **2. Insurance**

While the previous analysis of the statutory factors centered on the wage proposals, it is also applicable to the insurance proposals. The City and Union proposals are identical on dependent contribution levels so the only issue is over the contribution levels of individuals with no dependent coverage.

Previously, Unit members have not had to make contributions to their individual health insurance. The City has been seeking such contributions from all City employees. In the proposed agreement rejected twice by the City Council, the parties had agreed not

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<sup>8</sup> Joint Exhibit #3D charts the savings in FY 2009 and FY 2010 in FLSA and overtime costs for members of both units.

<sup>9</sup> The City did have certain bargaining obligations before making these reductions which resulted in the Union's agreement with these cuts.

to require individual contributions. In its final offer made at hearing, the Union agreed to start requiring an individual contribution of \$35 to commence in FY2010, a year later than sought by the City. I find that the Union's final offer to be a more reasonable approach to initiate individual contributions to the Command Unit members.

## **AWARD**

I hold the following on each of the contested issues in this matter:

### **1. Wages**

**The Union's final offer is adopted.**

### **2. Health insurance**

**The Union's final offer is adopted.**

I order that the substance of the above findings are to be incorporated into the parties' new Agreement, along with all tentative agreements previously reached by the parties and agreed to be included in this Award.

**ISSUED: May 29, 2010 at Springfield, Illinois**



**Brian E. Reynolds,  
Arbitrator**