

**ILLINOIS LABOR RELATIONS BOARD  
INTEREST ARBITRATION  
BEFORE ARBITRATOR WILLIAM E. SIGLER**

**Iroquois County  
Employer**

**Represented by: David A. Hibben  
Attorney**

**AND**

**ILLINOIS LABOR RELATIONS BOARD  
INTEREST ARBITRATION  
Case no. S-MA-11-060, Correctional Officers  
Case no. S-MA-11-061, Sergeants and Lieutenants  
Case no. S-MA-11-062, Deputies and Corporals**

**Illinois FOP Labor Council  
Union**

**Represented by: Jeffery J. Burke  
Attorney**

**INTEREST ARBITRATION OPINION AND AWARD**

**The hearing in this matter was conducted at Watseka, Illinois on Monday, February 27, 2012.**

**This matter has been properly placed before me for a final and binding determination. My findings and determinations are based on all applicable factors set forth in Section 14(h) and other provisions of the Illinois Labor Relation Act. All procedural prerequisites for Interest Arbitration have been met.**

**David A. Hibben, Attorney represented the County while Jeffery Burke, Attorney presented the Union's case. The County and Union presented their evidence in narrative fashion. A transcript of the proceedings was taken and delivered to this Arbitrator.**

**Post hearing briefs were filed in a timely manner and received by this Arbitrator from the Union on June 14, 2012 and the County on June 15, 2012. The briefs were exchanged and forwarded to opposing counsel via USPS on June 16, 2012.**

**Prior to these proceedings there were no established external comparables. At the hearing the Union proposed the following comparables without a proposal from the County.**

- DeWitt County
- Edgar County
- Livingston County
- Piatt County

Despite the best efforts of the parties to reach a complete agreement, a number of issues remained at impasse as of the hearing date.

The parties have presented the following issues for resolution:

**Corrections Unit**

1. Article 19, Section 19.2, Work Schedules and Assignments
2. Article 25, Insurance
3. Article 26, Wages and Compensation
4. Article 28, Section 28.1, Term of Agreement

**Deputies and Corporals Unit**

1. Article 25, Insurance
2. Article 26, Wages and Compensation
3. Article 28, Section 28.1, Term of Agreement

**Command Unit (Sergeants and Lieutenants)**

1. Article 25, Insurance
2. Article 28, Section 28.1, Term of Agreement

**Applies to all contracts, referenced above.**

1. Article 24, Section 24.2, Replacement of Damaged Clothing (Property), Neither party made a proposal to add or change language on this issue (status quo).

With the awarding of this decision these issues have been resolved.

Lacking any tentative agreements, only the Arbitrator's award will be incorporated into the parties next collective bargaining agreement. Except for the changes identified hereafter, existing contract language shall remain in full force and effect.

The Union's Final Offer placed before this Arbitrator for resolution and supporting arguments are defined below:

**Corrections Unit (S-MA-11-060)**

1. Article 19.2 Work Schedule and Assignments

Employees will bid by seniority for their preferred shift in the month of November of each year. Bids will be awarded by seniority and posted the first week of December of each year, and implemented the first work day of the first payroll period in January each year. Vacancies that occur during the year will be filled by offering the position to the bargaining unit employees by seniority. The Sheriff will fill the vacancy with the least senior employee if there are no volunteers. The Employers shall post work schedules showing the shifts, work days and work hours to which bargaining unit members are assigned at least 30 days in advance. Employees will be afforded at least 72 hours notice of any changes in the work schedule, except for emergencies. The Employer's current work schedule, practices, day off and replacement

patterns for Employees will remain in effect, except as provided above. The County Board and the Council may agree to changes to this Section by mutual agreement.

2. Article 25 Insurance

The County will agree to maintain substantially equivalent benefit levels and costs, as currently received, for health insurance during the term of this Agreement, except that the health insurance deductible may increase to \$500 effective 5-1-2012.

Employees shall contribute monthly to health insurance premiums according to the following schedule:

Effective 12-01-2011

|                 |                    |
|-----------------|--------------------|
| Single Coverage | <u>\$50/month</u>  |
| Employee + One  | <u>\$360/month</u> |
| Family          | <u>\$560/month</u> |

Employees may opt out of Employee + One or Family coverage at any time.

3. Article 26 Wages and Compensation

Increase each step of the base wage schedule by 2% effective 12/01/2010, 2.5% effective 12-01-2011, and 2.5% effective 12-01-2012.\*

\*The Union's proposal is for full retroactivity of wages on all hours compensated for current and former employees.

4. Article 28 Duration

Section 28.1 Term of Agreement

This Agreement shall be effective from December 1, 2010 and shall remain in full force and effect until November 30, 2013.

Deputies and Corporals Unit (S-MA-11-062)

1. Article 25 Insurance

Employees shall contribute monthly to health insurance premiums according to the following schedule:

**Effective 12-01-2011**

|                 |                           |
|-----------------|---------------------------|
| Single Coverage | <b><u>\$50/month</u></b>  |
| Employee + One  | <b><u>\$360/month</u></b> |
| Family          | <b><u>\$560/month</u></b> |

Employees may opt out of Employee + One or Family coverage at any time.

There will be no changes to employee health insurance during the life of this agreement, **except that the health insurance deductible may increase to \$500 effective 5-1-2012.**

**Article 26 Wages and Compensation**

Increase each step of the base wage schedule by 2% effective 12-01-10, 2.5% effective 12-01-2011, and 2.5% effective 12-01-2012.\*

\*The Union's proposal is for full retroactivity of wages on all hours compensated for current and former employees.

**Article 28 Duration**

**Section 28.1 Term of Agreement**

This Agreement shall be effective from December 1, 2010 and shall remain in full force and effect until November 30, 2013.

**Command Unit (S-MA-11-061)**

**Article 25 Insurance**

**Section 25.1 Health Insurance**

The bargaining unit members shall continue to enjoy the same health insurance coverage and benefits as currently received at the same costs as currently paid during the term of this Agreement until such time as a successor agreement is executed between the parties, **except, the health insurance deductible may increase to \$500 effective 5-1-12, and:**

a) that **December 1, 2011,** employee premium contributions shall be as follows:

- i) Single coverage: **\$50 per month**
- ii) Employee plus one: **\$360 per month**
- iii) Family Coverage: **\$560 per month**

Article 28 DurationSection 28.1 Term of Agreement

This Agreement shall be effective from December 1, 2010 and shall remain in full force and effect until November 30, 2013.

**The Union asserts the Arbitrator must consider all factors defined in Section 14(h) of the Act. However, "...some statutory factors may be more significant than others, depending upon the issues and the evidence." (Union Brief, p. 4)**

**The Union specifically addresses the following factors in support of its position.**

External Comparability

"Many interest arbitrators have cited the statutory factor of "external comparability" as the main factor for deciding the appropriateness and reasonableness of a final offer." (Union Brief, p. 4)

"There are no external comparables. The Union has proposed the following communities as comparable to the Employer

DeWitt County  
Edgar County  
Livingston County  
Piatt County

All of the Union's proposed comparables are counties that have union-represented employees. The Union's proposed comparables are based on geography, population, and a number of traditional factors reviewed by arbitrators when determining comparability. (Ux. 5(G). The Employer has not proposed comparables." (Union Brief, p. 11 and p. 12)

Internal Comparability

"Though internal comparability is a factor, the Arbitrator should give little weight to internal comparables that are not sworn units. He should compare only sworn employee units with other sworn employee units." (Union Brief, p. 5)

Cost of Living

Union Exhibit 15 reflects "...the cost of living nationwide has increased by 4.6% since the bargaining unit members last received a wage increase... . The Union's proposal for that time would increase the employees' wages by 4.5%..." (Union Brief, p. 5)

### Financial Ability to Pay

"The City (County) has not claimed specifically that it is financially unable to pay the wage increases sought by the Union in this interest arbitration. Instead, it has sought to prove that the economy has caused a significant impact on its finances and, as so many public employers do in interest arbitration, hoped that the Arbitrator will equate such "financial stress" with an "inability to pay"... ." (Union Brief, p. 6)

### Union analysis of the County's Financial Condition

The Management Discussion and Analysis (M.D. & A) report reflects "...the total primary government assets increased from \$62,015,266 in 2009 to \$66,526,831---a \$4,547,565 increase of which \$2,790,786 is unrestricted (Ux. 6, County 2010 Financial Report, p. 4)." (Union Brief, p. 9) The report further "...shows total liabilities of just \$6,149,230, compared with total assets of \$72,712,021." (Ux. 6, County 2010 Financial Report, p. 8). (Union Brief, p. 9)

**(The M.D. & A report reflects a number of \$66,562,831 rather than \$66,526,831.)**

"The County's liquidity retro (assets over liabilities) for 2010 ... was more than 10, an almost unheard of figure." (Union Brief, p. 10)

"The County's 2010 report reveals that at the end of the fiscal year, it enjoyed a \$456,095 positive general fund balance, of which 100% was unrestricted cash. (Ux. 6, County 2010 Financial Report, p. 11)." (Union Brief, p. 10)

### Additional Arguments Supporting the Union's Final Offer

#### Wages

"The evidence adduced at the hearing shows that the bargaining unit members are paid below the average of the comparables, though not at the bottom of the list. (Ux. 7)." (Union Brief, p. 12)

"The last wage increase received by bargaining unit members was November 1, 2009---almost three years ago." (Union Brief, p. 13)

"The Employer's wage proposal of 0% with a freeze in step movement would not keep pace with inflation, resulting in a real loss of purchasing power for the bargaining unit ... the Employer does not offer a *quid pro quo* for its wage proposal. Instead ... it offers to take more benefits. The Union's wage proposal should be adopted." (Union Brief, p. 13)

Duration

"The Union has proposed a three year contract, the Employer a one year deal. The parties' last contract was for three years, which is the industry standard. ... Perhaps the biggest problem is that the Employer's proposed contract expired in November, 2011 the parties need a contract that will provide some stability. ... A three year contract is the most appropriate duration, and should be awarded." (Union Brief, p.13)

Health Insurance Contributions

"The Union's final offer on employees health insurance contributions is to provide a modest increase to the employee's share of the monthly premiums. ... Additionally, the Union proposes to increase the members' annual deductible to \$500. ... The Employer proposes a significant increase in the cost of employee plus one and family coverage--\$80 and \$160 per month, respectively--and quadrupling the yearly deductible to \$1,000." (Union Brief, p. 14)

"As the cost of living index and the comparison of the bargaining unit employees' wages with comparable bargaining unit employees' wages indicate, there is not a significant *quid pro quo* for the unit members to pay more for health insurance in addition to accepting the modest wage increases proposed by the Union." (Union Brief, p. 14)

Shift Bidding for Corrections

"The Union has proposed adding language to the contract providing for adding annual shift bidding by seniority. The proposal is cost free for the Employer. Of the comparables, Piatt and Livingston Counties have shift bidding by seniority in their corrections contracts, the others do not. (Ux. 16, 2009-2012 Piatt County contract, p. 16; 2009-2011 Livingston County contract, p. 23)." (Union Brief, p. 14 and p.15)

"The Employer has not issued a response nor articulated a particular objection to the idea of shift bidding by seniority. The Union's proposal should be adopted." (Union Brief, p. 15)

"For all these reasons, the Union's final offer should be adopted." (Union Brief, p. 15)

**The County's Final Offer placed before this Arbitrator at the hearing and supporting arguments are defined below:**

Wages: Effective 12/1/10-11/30/11 No increase in wages.

Health Insurance: Effective 30 days after the issuance of the arbitration award the employee contribution shall be \$50 per month for

individual coverage, \$420 per month for employee plus one coverage, and \$700 per month for family coverage. The effective deductible for employees shall be \$1,000.

The employer rejects the remainder of the union proposals.”

**Subsequent to reviewing Section 14(h) of the Illinois Public Labor Relations Act the County advances the following arguments in support of its' position.**

“The Union has provided a great deal of evidence on several of the eight factors. None of this evidence is persuasive enough to cause the Arbitrator to reject the Employer’s final Offers.” (Employer Brief, p. 5)

“The first factor is the lawful authority of the Employer. The Union has presented no evidence that the Employer possesses the lawful authority to give the retroactive pay demanded to the beginning of a fiscal year that has now been closed. There does not appear to be authority allowing a county board to grant retroactive pay increases to employees to a date so far back to incur budgetary consequences to the current and future fiscal years. Thus, granting the Union’s position would exceed the Employer’s legal authority.” (Employer Brief, p. 6)

**The Employer notes that one of the stipulations identifies the wage and insurance proposals as economic and the shift bidding proposal as non-economic, thus requiring this Arbitrator select between the Employer or Union final economic offers. However, the non-economic shift bidding issue may be altered by this Arbitrator in rendering his decision.**

**The Employer asserts:**

“The interests and welfare of the public are of paramount importance in creating an award for public employees. The good citizens of Iroquois County have spoken clearly by twice rejecting referendum that would have raised taxes solely for public safety purposes. ... While the Fiscal Year 2011 Final Statement shows a positive balance of slightly more than \$491,000. The vast majority of that money came from one time wind farm payments.” (Employer Brief, p. 6)

**At the hearing the Union presented DeWitt, Edgar, Livingston and Piatt Counties as appropriate comparables, while the Employer choose not to propose any different counties to compare.**

**In advancing its' argument the Employer asks this Arbitrator to consider the following evidence:**

“... the Union’s evidence shows that the wages of the Iroquois County Deputies fall right in the middle of the four other counties. (Union Exhibit Book tab 7) Moreover, in both Edgar and Piatt counties, the Deputies pay 100% of family health insurance premiums, and the Piatt County Deputies pay up to \$90 per month for individual coverage. This evidence clearly favors the final position of Iroquois County regarding

wages and employee contributions to health insurance premiums.”  
(Employer Brief, p. 7)

**In addition, the Employer asserts this same reasoning applies to the Sergeants/Lieutenants unit.**

**Further, the Employer requests this Arbitrator consider the following evidence:**

“For the Corrections unit, the one comparison for the employee contribution to the health insurance favors the County’s final proposal, the Piatt County Corrections employees pay up to \$80 per month for individual for individual coverage and 100% for family coverage. Moreover, it must be noted that the County’s final proposal on health insurance contributions does not require the employees to pay 100% of the premium for any of the three options. ... The wages for the Corrections unit in Iroquois County do fall below those wages in the other counties. This is the only comparison that favors the Union’s final offer for the wages, and only the Corrections unit.”  
(Employer Brief, p. 7)

**The Employer asks this Arbitrator to reflect upon the following evidence when considering his decision. The counties of DeWitt (\$3.5 million), Livingston (\$3.6 million) and Piatt (\$1.067 million), had a positive general fund balance as of December 1, 2010. Only Edgar county’s negative \$631,000 was less than Iroquois county’s positive \$456,000 general fund balance as of December 1, 2010. However, Iroquois county’s wages for the three bargaining units are in the middle of the spectrum, clearly favoring the County’s wage and insurance proposals.**

**The Employer further notes:**

“As for other factors, the single most important is the internal comparison with other employees of Iroquois County. The members of the Fraternal Order of Police (“FOP”) are already compensated above other employees of Iroquois County. Moreover, they have enjoyed contributing to their health insurance at a rate frozen since November 30, 2009. ... The Union notes that it’s members have not received a wage increase since December 1, 2009. The same is true of all other employees of Iroquois County, union and non union alike. As noted above, fringe benefits like vacation time are the same for all County employees. The health insurance premium contribution and employee deductible have always been the same for all County employees, FOP, AFSCME and non-union alike. The FOP members should not receive additional awards simply because they are prohibited from striking.  
(Employer Brief, p. 9)

**The County:**

“... implores the Arbitrator to accept the County’s final offer to freeze wages, ... it implores the Arbitrator to accept its final offer on employee contributions to health insurance to finally bring the FOP

members to the same contribution levels as all other County employees for the same health insurance provided to all County employees. ... Lastly, the County urges the Arbitrator not to further obstruct the Sheriff from the efficient operation of his jail by imposing the Unions shift bidding proposal. ... the current language has been in effect for some time and has proven to be an efficient system. The County urges the Arbitrator to accept each of its final proposals." (Employer Brief, p. 9 and p. 10)

The arguments outlined above are not all inclusive of the reasoning presented by the parties at the Hearing, or reiterated in their post hearing briefs. However, the awarding of this decision is based upon the entire record and the application of the standards of review contained in Section 14(h) of the Illinois Public Labor Relations Act, Which follows:

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 wages, hours and conditions of employment of the employees involved in the arbitration proceeding with 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 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

#### AWARD

Having considered all the evidence in accordance with the applicable provisions of statutory criteria, I have made the award set forth below. The Collective Bargaining Agreements shall be modified to incorporate this decision. I will retain jurisdiction for 30 days should there be any dispute about the implementation of this award.

Article 24, Section 24.2, Replacement of Damaged Property, Neither party made a proposal to add or change existing contract language. Therefore, the issue is status quo.

**Corrections Contract**

**Article 19, Section 19.2, Work Schedules and Assignments. Upon review of the entire record and application of the Act to my decision, I accept the County's Final Offer.**

**Corrections Contract, the Deputies and Corporals Contract and the Sergeants and Lieutenants Contract**

**Article 25, Insurance. Upon review of the entire record and application of the Act to my decision, I accept the Union's Final Offer.**

**Corrections Contract and the Deputies and Corporals Contract**

**Article 26, Wages and Compensation. Upon review of the entire record and application of the Act to my decision, I accept the Union's Final Offer.**

**Corrections Contract, the Deputies and Corporals Contract and the Sergeants and Lieutenants Contract**

**Article 28, Section 28.1, Term of Agreement. Upon review of the entire record and application of the Act to my decision, I accept the Union's Final Offer.**

*William E. Sigler*  
William E. Sigler  
Interest Arbitrator

Issued this 9<sup>th</sup> day of July, 2012