

BEFORE THE ARBITRATOR

In the Matter of the Arbitration
of a Dispute Between

ILLINOIS FRATERNAL ORDER OF POLICE LABOR
COUNCIL

and

COUNTY OF PIKE and SHERIFF OF PIKE COUNTY

No. S-MA-13-074

Appearances:

Mr. James Daniels, Attorney, Illinois FOP Labor Council, on behalf of the Union.
Walters Law Offices by Mr. Chris W. Walters, on behalf of the Employer.

ARBITRATION AWARD

The above-entitled parties, herein “Union” and “Employer,” engaged in negotiations for a successor collective bargaining agreement to replace the prior contract which expired on November 30, 2012. They reached agreement on all issues except for wages, health insurance premium contributions, and duration.

Pursuant to Section 14 of the Illinois Public Labor Relations Act, herein “Act,” the parties selected Raymond E. McAlpin to serve as the arbitrator and a hearing was held on December 12, 2014, in Petersburg, Illinois, at which time it was not transcribed. Arbitrator McAlpin subsequently became unavailable to issue an award and the parties selected Amedeo Greco to replace him. A hearing was held on June 22, 2015, in Pittsfield, Illinois, which was not transcribed, and the parties filed briefs which were received by August 7, 2015.

BACKGROUND

The Union represents for collective bargaining purposes a collective bargaining unit of about 21 employees consisting of Deputy Sheriffs, Correctional Officers, Telecommunicators (Dispatchers), Bailiff/Court Security, Administrative Secretary and Cook employed by the Pike County Sheriff's Department.

The parties have agreed that all previously agreed-to tentative agreements are to be incorporated in this Award. They include non-discrimination, uniform allowance for dispatchers, overtime payout, and holiday pay within two pay periods.

FINAL OFFERS

A. WAGES

The Union's wage offer is as follows:

ARTICLE 23 – WAGES (UNION'S FINAL OFFER)

The following wage increases shall be made retroactively to the wages of all bargaining unit employees who were employed as of December 1, 2012, for all hours in paid status:

December 1, 2012 – 2.50%
December 1, 2013 – 3.00%
December 1, 2014 – 2.50%
December 1, 2015 – 3.00%

The Employer's wage offer is as follows:

1. Effective December 1, 2012, all employees covered by this Agreement shall receive a 2.0% wage increase.
2. Effective December 1, 2013, all employees covered by this Agreement shall receive a 2.5% wage increase.
3. Effective December 1, 2014, all employees covered by this Agreement shall receive a 3.0% wage increase.

B. HEALTH INSURANCE

The Union's health insurance proposal is as follows:

Section 27.1 – Health Insurance (Union's Final Offer)

~~During the term of this Agreement, the Employer shall provide health insurance coverage at a cost of \$100.00 per month to the employees covered by this Agreement. Health insurance shall be available for dependents at the cost of \$350 per month to the employee. As of December 1, 2014, employees on the Employer's health individual insurance plan shall pay 20% of the individual monthly premiums. Employees on the dependent child, spouse, or family plans will pay 45% of the difference between the full individual premium and the full premiums for the dependent child, spouse, and family plans. Employees on the dependent child plan will not contribute less than \$400 per month.... (The rest of Section 27.1 and the remaining sections of Article 27 will remain in effect, verbatim, as in the previous contract, with the exception that Section 27.3 will be deleted in its entirety.)~~

The Employer's health insurance proposal is as follows:

Section 27.1

During the term of this Agreement, the Employer shall provide health insurance coverage at a cost of \$145 per month to the employees covered by this Agreement. Health insurance shall be available for employee plus spouse at the cost of \$480; employee plus child(ren) at the cost of \$421; and family coverage at the cost of \$512 per month. The Employer agrees to maintain the current or equivalent levels of coverage for the duration of this Agreement. Should it become necessary for the Employer to change insurance carriers or providers, through no fault, initiation or decision of the Employer, the Employer may do so as long as the level of coverage is equal to or better than that provided at the time of this Agreement. All increases or decreases in insurance premiums hereinafter shall be shared equally (50/50%) between the employer and the employee.

The Employer agrees to allow a representative of the Union to participate in any discussions on new insurance coverage, or methods that may be utilized to reduce cost.

The Employer will provide a wellness program as part of the Health Insurance Coverage. The Employer will provide at no cost to the employee, one annual pap smear for all women aged thirty and older and one annual prostate examination for men aged forty and older. The Employer will provide twenty-five thousand dollars (\$25,000) in life insurance coverage to each employee.

The Employer shall give advance written notice, at least 48 hours, of insurance committee meetings. Union representative can make recommendations to the insurance committee. Employees are eligible for health insurance after 30 days employment. Evidence of good health will be required. No HIPPA compliance is required.

Adopted children or newborns can be added to the health insurance plan if added within 30 days of adoption or birth. Open enrollment will be allowed annually (subject to pre-existing conditions clause). Coverage terminates at the end of month for which premiums have been paid (upon employee leaving employment).

C. DURATION

The Union proposes a four-year contract.

The Employer proposes a three-year contract.

POSITIONS OF THE PARTIES

The Union maintains that its wage offer should be adopted because the Correctional Officers and Dispatchers are “seriously underpaid”; because the Employer has the ability to pay for its proposal; and because the Union has voluntarily made “significant health insurance concessions.” It also states that its 3% wage proposal for a fourth year is reasonable and that retroactive wage increases should be granted to past employees who have left their employment after December 1, 2012.

The Union adds that its health insurance proposal is more reasonable because it already has made significant concessions during contract negotiations to raise employee contributions and because it also has agreed to go from a flat contribution to a percentage of the premium, thereby increasing employee premium contributions. It also states that the Employer’s proposal is unreasonable because it calls for employees to pay 50% of all future health insurance increases for the Employer’s self-funded health care plan; because it does away with notifying the Union

of possible insurance changes by July of each year; because the Employer wants to retroactively make its health insurance changes; and because the Employer's method of calculating premiums is inaccurate.

The Union also contends that its four-year contract proposal should be adopted because the duration of past contracts has "varied considerably" over the years; because a longer contract will better serve the parties; because a shorter contract may result in a default under Article 37 of the current agreement; because the Employer "itself at one point proposed a four-year contract"; and because the parties' wage dispute does not depend upon contractual duration.

The Employer states that its 8% wage proposal is more reasonable because "employees are already properly paid" and do not require a market adjustment and because the comparables and the CPI support it. It also argues that the interest and welfare of the public would not be served by the Union's 11% wage proposal; that the Employer already spends about 36% of its annual general budget on the Sheriff's Department which is higher than the annual budgets spent by comparable Sheriffs' departments; and that its annual fund balance has dropped from \$1,370,251 in FY 2011 to \$330,239 in FY 2014.

The Employer also contends that its health insurance proposal is more reasonable because it is supported by the internal comparables; because action is now needed to cut its costs to "avoid the Cadillac Tax under the Affordable Care Act"; and because "FOP members should have the same vested interest in the health plan as all other County employees." The Employer also states its health insurance reserve balance is only about \$100,000 when it should be around \$600,000 to \$800,000, and that "FOP members must start paying the same increases as all other employees or else the health insurance coverage itself will be in jeopardy."

The Employer also asserts that its three-year duration proposal is more reasonable because the Union's 3% wage proposal for a fourth year will only increase "the gross disparity" between the wages here and other comparable communities; because such an increase is not supported by the CPI; and because the parties only once have had a four-year contract.

DISCUSSION

The statutory criteria in Section 14(h) of the Act provides:

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

5 ILCS 315/14(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 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.

Factors (1), (2), (4)(B), (7) and (8) relating to the lawful authority of the employer; the stipulation of the parties; the comparison of the wages, hours and conditions of employment of these employees with employees in private employment in comparable communities; changes in any of the foregoing circumstances during the pendency of the arbitration proceeding; and other factors are not in issue.

The parties have agreed to the following external comparables under Factor (4)(A): Bond County, Cass County, DeWitt County, Greene County, Hancock County, Mason County, Mercer County and Warren County. They also have agreed to the following internal comparables: the Pike County Housing Authority, the Pike County Ambulance Department, and employees employed by the Circuit Court, Supervisor of Assessment, Treasurer, County Clerk and State Attorney.

Factor (5) regarding the CPI supports the Employer's wage proposal. It is closer to the Midwest Region CPI which rose 1.7% for the year ending 2012; rose 1.5% for the year ending 2013; rose 1.7% by the end of September 2014; and declined 0.8% from May 2014 to May 2015, (Employer Exhibit 38),¹ whereas the Union's 11% wage offer exceeds the CPI.

¹ Employer Exhibit 38.

Factor (6) relating to overall compensation does not favor either party's Offers since the evidence is evenly split on this issue.

As for Factor (3), the Union argues that the Employer has the "means to provide" for its wage offer because the amount in dispute is "negligible" and because the Employer at the end of FY 2014 had close to \$1,000,000 in its fund balance. The Union thus argues that the Employer has failed to properly account for the approximately \$600,000 it annually collects in taxes pursuant to prior referenda which are earmarked for public safety, and that "there are additional available funds for law enforcement above and beyond . . ." those relied upon by the Employer.

The Employer counters that its annual fund balance dropped from \$1,370,251 in FY 2011 to \$330,239 in FY 2014; that the Sheriff's Department budget is higher than any of the external comparables; and that it also must pay for its own ambulance service and maintain its own Housing Authority for public housing. The Employer also states the public interest will not be served by granting the Union's requested 11% wage offer and health insurance proposal, and that the "monies allocated to the Sheriff's Department continues to grow at the same time the general fund balance is now 24% of what it was in 2011."

I find that Factor (3) does not favor either party because the interests and welfare of the public will be served by adopting either party's Final Offer and because the Employer has the financial ability to meet the costs of the Union's Final Offer. However, the Employer's financial situation has worsened since its annual fund balance has dropped so low and since its Sheriff's Department budget is so high when compared to other communities. The Employer therefore does not have extra money to spare and it is legitimately concerned over what it can afford to pay.

Turning now to the wage issue, the Union proposes an 11% wage increase over four years consisting of a 2.50% increase on December 1, 2012; a 3% increase on December 1, 2013; a 2.50% increase on December 1, 2014; and a 3.00% increase on December 1, 2015. The County proposes a 7.5% wage increase over three years consisting of a 2.0% increase on December 1, 2012; a 2.5% increase on December 1, 2013; and a 3% wage increase on December 1, 2014.²

There thus is only a half percent difference between the parties over the course of a three-year contract.

The Union acknowledges that “deputies are paid slightly above average when compared to comparable communities,” but states that Correctional Officers and Dispatchers “are seriously under paid.” The Union also states that its wage offer should be adopted because it has voluntarily made significant health insurance concessions by agreeing to raise monthly premiums in 2013 and by making even more concessions in this proceeding, and that such increases qualify as a sufficient quid pro quo for the additional half percent wage increase it seeks over the first three years of its proposed contract.

The Employer asserts that its officers “are well paid”; that Deputies under the Employer’s offer would earn more than their counterparts in Cass, Mercer, Hancock, Mason, Warren and Green counties, and that adopting the Union’s offer would increase “the large disparity that currently exists between Pike County officers and deputies in comparable communities . . .”

The record establishes that Deputies are for the most part well paid and that they have no need to catch up.

² The parties agreed at the hearing that I can determine for each year of the contract what wage increase is appropriate.

Union Exhibit 11 thus shows that Deputies under the Union's 2.5% wage offer in FY 2013 would be below average at the start and one year step rates, but that they would be \$2,472, \$1,271, \$1,660, \$988 and \$194 above average at subsequent steps.³ In FY 2014 they under the Union's 3% wage offer would be below average at the start and one-year steps but would be \$2,948, \$2,304, \$2,134, \$1,349 and \$486 above average at the remaining steps. In FY 2015 they under the Union's 2.5% wage offer would be below average at the start, first year, 20-year step and top steps, and be \$1,387, \$717 and \$560 above average after 5, 10 and 15 years.

Correctional Officers, on the other hand, deserve catch up.

Union Exhibit 12 shows that under the Union's proposal they in 2012 would be \$38 above average after 5 years, but behind by \$2,803, \$2,353, \$724, \$2,204, \$3,356 and \$4,203 below average in the remaining steps. In 2013 they under the Union's proposal would be \$3,003, \$2,640, \$281, \$1,030, \$2,526, \$3,763 and \$4,627 below average across the salary schedule. In 2014 they under the Union's offer would be \$6,635, \$6,761, \$5,007, \$6,191, \$8,083, \$9,861 and \$11,011 below average across the salary schedule.

Union Exhibit 13 shows that Dispatchers under the Union's offer in 2012 would earn \$1,821 and \$1,099 above average after 5 and 10 years, but earn \$699, \$25, \$135, \$1,459 and \$2,433 below average in the remaining steps. In 2013 they under the Union's offer would earn \$2,900, \$2,530, \$491, \$1,195, \$2,567, \$3,897 and \$4,987 below average on the salary schedule. In 2015 they under the Union's offer would earn \$6,251, \$6,368, \$4,828, \$6,012, \$8,034, \$9,509 and \$10,645 below average on the salary schedule.

³ I have relied upon the Union's wage comparison data rather than the Employer's wage comparison data because the latter contains several errors which include dividing the combined data by eight to get the average even though data for only six counties was presented.

But for few exceptions, adoption of the Union's three-year wage offer therefore would still leave the Correctional Officers and Dispatchers below the external comparables.

Both parties agree that retroactive wage increases should be granted to current employees but they disagree over whether retroactive wage increases should be granted to former employees with the Union seeking, and the Employer opposing, such retroactivity.

The Union states that retroactivity is warranted because employees who left "should not be penalized for doing so" and because doing otherwise would "give the Employer a windfall." The Employer argues that "Any employee who wanted the wage increases should have remained in the unit," and that it is unfair to grant them retroactive wage increases when "they left the unit before the insurance changes took effect."

The Union's proposal is more reasonable because there is no good reason to deny former employees retroactivity merely because they have left their employment. They performed the same work as their colleagues during their employment and they are entitled to receive the same wages when they did so regardless of whether they are currently employed.⁴

I therefore find that the Union's three-year wage offer for 2013, 2014 and 2015 should be adopted because it helps correct the substantial wage disparities surrounding the Corrections Officers and Dispatchers' wages and because retroactivity should be awarded to employees who have left the bargaining unit.

As for health insurance, the Union's proposal effectively raises the monthly individual premium to \$143 per month; maintains the current \$450 monthly premium for an employee and

⁴ They also are required to pay for any increased insurance premiums during their tenure.

dependent child plus spouse and family; pays 20% of any increase above the individual premium; and pays 45% of the difference between the individual and dependent coverage.

The Employer's proposal raises the individual premium coverage to \$145 per month; raises the employee plus dependent child coverage to \$421; raises the employee plus spouse to \$480 per month; and raises the employee plus family coverage to \$512 per month. The Employer also proposes that employees pay 50% of any future premium increases; that premium rates should be based upon the COBRA rates; and that the premium increases should be retroactive.

The external comparables support the Union's proposal. Employees in Green, Mason and Mercer Counties do not make any monthly contributions; employees in Bond Count pay \$20 a month with a maximum of \$50 per month; employees in Warren County pay \$20 per month; and employees in Cass, DeWitt and Hancock Counties respectively pay \$120, \$137 and \$239 per month.⁵ Those premiums are significantly lower than the Employer's offer.

But, all of the internal comparables support the Employer's offer. Indeed, the Employer has proposed that the bargaining unit employees here should pay less than other County employees - i.e. \$145 versus \$163 for single; \$512 versus \$575 for family, etc., provided that all future increases are split equally between the parties.

The Union argues that it already has made significant concessions in voluntarily agreeing to higher monthly premiums and a flat contribution amount; that the Employer has not offered a quid pro quo; and that it is "unconscionable" to require employees to pay for 50% of all future

⁵ Union Exhibit 17.

increases given the “fluctuations of the insurance market in recent years . . .” The Union thus quotes Arbitrator Meyers who ruled in IFOP and Jefferson County, S-MA-06-030 (2006), p. 15:

. . .

[T]he Employer essentially is asking that its employees accept a financial responsibility without knowing what the extent of that financial responsibility might be. Given the significant increases in insurance premiums that have occurred in recent years, it is reasonable to assume that these premiums will continue to increase during each year of the new contract’s term, with such increases possibly outpacing any increases in the consumer price index.... Under the Employer’s proposal, the employees therefore would be responsible for paying twenty percent of some unknown, but ever increasing premium cost. This uncertainty prevents any finding that the Employer’s proposal is reasonable.

. . .

The Employer maintains that the internal comparables trump the external comparables, citing considerable arbitral authority for its proposition that health insurance benefits should be internally consistent.

Arbitrator Hill in City of Danville, No. S-MA-09-238 (Hill, 2010), thus stated “when it comes to insurance benefits, internal comparability is often the most important statutory criterion, and may even serve as the only relevant criterion” and that:

Generally, and invoking black-letter law in this area, there is a validity to the notion of internal consistency with respect to insurance coverage... (In *Village of Schaumburg & Metropolitan Alliance of Police Chapter 195* (2007), Arbitrator Tom Yeager found compelling notions of internal consistency with respect to insurance benefits. On this subject the Arbitrator had this the (sic) say: “... As I discussed earlier, unless there is some compelling reason why this bargaining unit should not be treated like the other bargaining units, the Village’s ability to negotiate the same provision with its other represented bargaining units should receive significant if not controlling weight in this interest arbitration.

Arbitrator McAlpin in County of Clinton, No. S-MA-12-030, (McAlpin, 2013), similarly stated:

This Arbitrator has also found that health insurance benefits and contributions are an exception to the consideration of internal comparables as noted in the wage provisions. Arbitrators have found that within a reasonable range all employees should be within the same benefit and contribution levels, therefore, the Arbitrator finds that the Employer's proposal should be accepted.

Arbitrator Feuille also stated in City of Peoria, S-MA-92-067, (Feuille, 1992):

Accordingly, the Panel believes that the internal comparability evidence deserves considerable weight. Unlike some other labor-management issues, this health insurance issue is the type of issue where comparisons with other City employees are imminently appropriate and useful. In this instance, other City's employees constitute healthily appropriate comparison groups within the meaning of Section 14(h) of the Act. This internal evidence provides much stronger support for the City's offer than for the Union's offer.

I agree that internal comparability regarding health insurance benefits must be given far greater weight than external comparability.

In addition, the Employer's proposal is supported by the testimony of Erik Snedeker from Snedeker Risk Management. He testified that while Union members incur about 37% of all claims, they only pay about 20% of the total premiums paid by all other County employees. This imbalance can only be rectified by raising the monthly premiums for bargaining unit members and or reducing the number of claims being filed.

The Union argues that no consideration should be given to Mr. Snedeker's testimony because it is not covered by the Factors set forth in Section 14 of the Act. I disagree, as it goes to the Employer's need to raise premiums in this bargaining unit.

Furthermore, the Employer only has about \$50,000 in its health insurance reserve balance when it should be about \$600,000 to \$800,000 according to Mr. Snedeker. This also supports the Employer's need to raise the cost of monthly insurance premiums.

The Employer's proposal also seeks to delete the current language in Article 27.1 of the contract which states that if there are to be any insurance changes, "insurance committee discussions will begin in July of each year, with other meetings scheduled as necessary." The Employer proposes to replace that July deadline with the following language: "The Employer shall give advance written notice, at least 48 hours, of insurance committee meetings," at which time Union representatives can make recommendations.

The Employer has not offered any explanation as to why the current contract language in Article 27.1 needs to be changed and it thus has failed to meet its burden of proving that change is needed. When that is coupled with the Union's legitimate concern that the current language is needed to make sure that the Union "by July of each year" is provided sufficient time to avoid any last minute changes, I find that the Union's proposal on this issue is more reasonable.

The Employer at the hearing also stated that it intended to calculate the rate of monthly premiums based upon the COBRA health insurance rate - i.e. the rate terminated employees must pay if they want to continue their health insurance for a limited period of time after their termination. The COBRA rate here would be about \$50 higher than the regular monthly rates because the federal government allows employers to add on certain administrative costs for employees on COBRA coverage.

The Union states "There is no reason for FOP members to be required to pay 20% of the COBRA rate since they are not terminated employees and are not voluntarily availing themselves of COBRA benefits."

I agree and find that the Union's proposal to maintain the current language in Article 27.1 is more reasonable.

The Employer's offer also calls for retroactive payment of its proposed health insurance premiums.

The Union states that this requires employees to "cough up hundreds of dollars" to pay for past benefits and that it represents "an unexpected liability on an underpaid group of employees who have already made a good faith concession . . ." when they voluntarily agreed to higher premiums in March 2013.

Since wages are retroactive to December 1, 2012, it is understandable why the Employer has proposed retroactivity for its health insurance changes. However, the Union in March 2013 voluntarily agreed to raise the individual premium by \$360 a year and \$1,200 for employee and dependent coverage, which is something it was not required to do. That being so, I find that the Union's proposed retroactive date of December 1, 2014, for its proposed insurance changes is more reasonable than the Employer's proposal.

The insurance issue thus centers on weighing the need for raising premiums to what all other County employees are paying and the shortcomings in the Employer's proposal.

The Employer clearly has established that need for the reasons stated above, and it is only fair that the employees here pay the same premiums being paid by all other County employees.

The Employer's proposal, however, seeks to delete, without explanation, the language in Article 27.1 relating to notification of insurance changes; it calls for calculating the monthly premium rates based on the COBRA rate even though the employees here are not terminated employees; and it provides for a longer period of retroactivity without accounting for the Union's

voluntary agreement in 2013 to raise employee contributions. In addition, its proposal for a 50/50% split for all future premium increases represents an open-ended commitment to the unforeseeable world of health insurance increases which is less reasonable than the Union's proposal regarding future rate hikes.

I therefore find that, on balance, the Union's insurance proposal is more reasonable and that it should be adopted.

Turning to the contract's duration, the Union has proposed a four-year contract while the Employer has proposed a three-year contract.

The Union cites considerable arbitral authority in support of its position that longer contracts are preferable to shorter contracts because of the added stability longer contracts bring. The Union thus argues that the parties need "at least a year-long period of industrial peace to lick their wounds and build bridges" and that, "The parties need a break from the time, expense, and contention that long-term negotiations entail."

The Employer states that a four-year contract which provides for a 3% wage increase will only extend the "gross disparity between some Pike County officers and officers in other comparable counties." It also maintains that the 3% wage increase is not supported by the CPI and that the parties only once over the last 30 years have agreed to a contract which exceeded 3 years.

Longer contracts generally are preferable to shorter contracts because of the added stability longer contracts bring. That is particularly true here because this contract will expire on November 30, 2015. A shorter contract thus will only bring the parties back to the bargaining table in a few months.

But stability, while highly valued, is not the only issue to consider in determining the contract's duration. The Union's proposal for a 3% wage increase exceeds the recent CPI and it will result in a greater disparity between the Deputies' wages and their counterparts elsewhere.

Furthermore, adopting a four-year contract will mean that negotiations for a successor contract will be put off for an extra year before the parties again tackle the health insurance issue. As related above, all of the internal comparables support the Employer's proposal and the employees here should pay the same health insurance premiums being paid by all other County employees. Given the importance of this issue, it therefore is better for the parties to again address it sooner rather than later.

I therefore find that the Employer's three-year duration proposal is more reasonable and that it should be adopted.⁶

Based upon all of the above, I issue the following

AWARD

1. The Union's Final Offer regarding wages is selected and should be incorporated in the agreement.
2. The Union's Final Offer regarding health insurance is selected and shall be incorporated in the agreement.

⁶ I therefore find no merit to the Union's claim that its proposal should be adopted to avoid the default under Article 37 of the contract which states that reopeners must be filed before September 30. Since this Award has been issued before that date, there should not be any default. Furthermore, not much weight can be given to the fact that the Employer at one point proposed a four-year contract. Parties in negotiations make proposals for all kinds of reasons and they thus cannot be held to them.

3. The Employer's Final Offer regarding duration is selected and shall be incorporated in the agreement.

4. All of the parties' Tentative Agreements shall be incorporated in the agreement.

Dated: September 26, 2015


Amedeo Greco, Arbitrator