

IN THE MATTER OF THE INTEREST ARBITRATION

BETWEEN

VILLAGE OF FRANKLIN PARK

-and-

INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1526
ILLINOIS LABOR RELATIONS BOARD, CASE NO. S-MA-153

1. The Arbitrator, Aaron S. Wolff, was designated sole Arbitrator by the parties pursuant to their Agreement and the procedures of the Illinois Labor Relations Board.
2. A Hearing was held on July 15, 2015 in the Village of Franklin Park, Illinois.

Appearances for the Employer were:

Mr. James Baird, Esq., and
Ms. Roxanna M. Crasovan, Esq.

Clark Baird Smith, LLP
Attorneys

Appearances for the Union were:
Ms. Susan M. Matta, Esq.

Carmell, Charone, Widmer, Moss & Barr
Attorney,

3. There was a transcript of the hearing. Post-hearing briefs totaling 119 pages were received by October 13, 2015.
4. Subject matter of Award: Three Economic Issues: Wages; "Longevity" and Paramedic Certification Pay.
5. Summary of Award: One Union Final Offer and Two Village Final Offers Were accepted.

INTEREST ARBITRATION FINDINGS OPINION AND AWARD

Preliminary Statement

This is an interest arbitration pursuant to the Illinois Public Labor Relations Act [the “Act” or “IPLRA,” 5 ILCS 315 et seq.]. The parties hereto, the Village of Franklin Park and the International Association of Firefighters, Local 526,¹ have not had to resort to the Act since the Union was recognized in 1973. Instead, since that time, they have successfully negotiated about eighteen [18] collective bargaining agreements. [T. 111]²

The last negotiated agreement was for two years, May 1, 2012 through April 30, 2014. [JX 2] The parties have been negotiating for a successor CBA of three years, May 1, 2014 through April 30, 2017 and have been successful in resolving all but the three economic issues that are involved here: [1] Wages; [2] Longevity pay; and [3] Paramedic Certification Pay. Also relevant here is the 2009-2012 CBA and its negotiation during the Great Recession that began around 2008.

The Applicable Statutory Provisions

The IPLRA provides in §14(g) that “As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel,³ more nearly complies with the applicable factors prescribed in subsection (h).”

The “applicable factors” set forth in §14(h) are as follows:

¹The bargaining unit currently has thirty-eight (38) employees: twelve (12) Lieutenants and twenty-six (26) Firefighters. Of these, twenty-two (22) are certified Paramedics and two (2) Firefighters at a time have been attending paramedic school. [T. 17]

²The transcript of the hearing is cited as “T.-;” the Village and Union post-hearing briefs as VB and UB and the Joint, Village and Union exhibits as JX, VX and UX, respectfully. “Collective Bargaining Agreements” are sometimes referred to as “CBA’s.”

³The parties waived a tri-partite board, designating undersigned as sole arbitrator. [T. 7-8]

- (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 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.

DISCUSSION AND FINDINGS

ECONOMIC ISSUE # 1-WAGES

CONTENTIONS OF THE PARTIES

The Village's final "Wage" offer is a 2.75% across-the-board increase on May 1st of each contract year, 2014-2016. The Union's final offer is 2.75% plus "equity adjustments" of 50¢ in the first year and 25¢ in the second and third years, i.e., 3.25% on May 1, 2014 and 3% on May 1 of

2015 and 2016.

The primary basis for the 50/25¢ add-ons sought by the Union is its belief that “it is entitled to an equity adjustment” because it “made significant concessions when the Village needed it the most in the midst of an economic crisis.” [UB 27] In this respect former Union President Palermo⁴ testified that during the 2009-2012 contract talks the Village said it had a \$5.4 million deficit and the only proposal it made to the Union was to cut six (6) bargaining unit jobs. [T. 216-17]⁵ Continuing, Mr. Palermo testified that the Union suggested alternatives to the staff cuts by ending the outside contract for paramedic service that was costing between \$820,000 and \$840,000 a year. [T. 217] The Village agreed and paramedic service was then done in-house by the Union’s paramedics and the six employees who faced a lay off were sent to paramedic school, two per year.⁶ When two Firefighters were in school, their shifts were covered when necessary by bargaining unit employees without compensation. [T. 219]⁷

Continuing, the Union says [UB 28-29, quoting from T. 220-222]:

“Despite these efforts, there was still a need for additional coverage, so a 7G program was implemented. The Parties agreed that 7G Paramedic work would be performed at \$15.00 per hour to address any coverage shortfalls. The Union handled the scheduling and notified professional Firefighters/Paramedics from other full-time departments, who volunteered to work for the Village for that period of time at the 7G rate, of available shifts in order to ensure coverage. By implementing this program, the Union saved the Village over \$100,000 per year ‘for at least the next two to three years.’” [T. 220-222]

⁴Mr. Palermo held that office during the CBA’s between 2007 and 2014. [T. 215]

⁵Mayor Pedersen, who took office in May 2009, testified as to the deficit and that the Union was told then that benefits or six staff members had to be cut. [T. 185-186]

⁶The school costs were paid by the “Foreign Fire Tax Fund.” [T. 218-219]

⁷“Normally,” compensation for covering another’s shift would be at overtime. [T. 219]

In the 2009-2012 CBA, the Village agreed to a no layoff clause that expired on April 30, 2012 [UX 1, Tab 18, p. 6] and the employees received no pay increase [“zero”] for the first two years [2009-2010] of that contract and a two and one-half percent [2.5%] increase in the third year. [UB 29; UX 1, Tab 18, Appx. A, p. 47 and Tab 17, Appx. A; T. 222] The no layoff clause was added toward the end of the negotiations when the Union had agreed to no pay raise for two years. [T. 224]

Village Mayor, Mr. Barrett Pedersen, testified that after his election in May 2009, he soon learned that the Village had a deficit of \$5.4 million, owed a number of firms \$10 million and was unable to pay its bills. He was getting as many as five or six phone calls a day from creditors asking for payment. The comptroller told him that “we were not going to be able to make payroll for the last five or six months of the fiscal year if he [Pedersen] didn’t make dramatic cuts because we were running out of cash.”As a result, the Mayor went to the police department and said the Village needed a reduction in their benefits or a staff reduction of six people. [T. 185-186] He also offered employees who were not represented an IMRF buyout which six employees took and three others were laid off or discharged. [T. 187]⁸

The Mayor also stated that he told the Firefighters during the 2009-12 negotiating sessions that he needed reductions of six positions or about \$675,000 because he couldn’t make payroll. [T. 187-188] The Firefighters responded with the innovative counter-proposals noted above. After agreement was reached on the 2009-2012 CBA, the parties successfully negotiated the 2012-2014 CBA and agreed on all issues for the 2014-2017 CBA except for the three involved here.

The Mayor also testified that the Village’s financial position has improved since 2009 and

⁸The Mayor also said that administrative employees, as well as Public Works employees, who obtained union representation in 2013, lost positions along with six police officers who took early retirement and that none of their jobs had yet been restored. [T. 190-191]

it is not claiming an inability to pay what he considers the Union's proposal to cost over the term of the 3-year 2014-2017 CBA, about \$219,000 on top of the \$755,000 that the Village's proposal would cost. [T. 191-192] He also described various other competing needs for Village funds, such as: patching streets, hiring more police and firefighters, escalating pension costs, buying more trucks and equipment, and improving the Village's water and sewer systems. [T. 193-198]

With respect to the prior CBA and internal comparables, the Union points to the Mayor's testimony that, as to the Police Unit, the Village told that department that it also needed to reduce benefits or a staff reduction of six [6] people; and as to the "unrepresentative employees" six of them took advantage of an IMRF buyout and three others were laid off. [UB 30; T. 186-187] The Union also observed [UB 30]: "Notably, in 2011, both the Police Unit and unrepresented Village employees received a 3.00% wage increase, whereas the Fire Unit only received a 2.50% increase. [VX 19B]"

The Union also argues [UB 31]:

Importantly, the record evidence demonstrates that the Union is not seeking to regain all that it lost at once, but rather, is seeking to begin the process of restoring its relative standing amongst the comparables. [T. 50] Thus, the Union contends that its wage proposal is reasonable, and that the Union is entitled to an equity adjustment resulting from its significant contributions to the Village's financial turnaround.

Next, the Union holds that its proposal is supported by the "lack of internal parity." [UB 37-41] It believes that a Village chart [VX 19B] "demonstrates that there is no parity in wage increases between the Fire Unit and any other internal unit." [UB 37] The Union believes that "the only true internal comparable is the Police Unit, as it is the only other public safety unit in the Village;" and it says, the Village agrees that the Police and Fire units are not in an "absolute parity relationship" as they "received different percentage wage increases in 2000, 2004, 2007, 2010 and 2011." For 2014-2016, the Union notes, the Police Unit received a 2.75% increase each year. The Union also

states: “Both the Fire and Police Units took a 0% in 2009, but while the Union took another 0% in 2010, the Police Unit received a 3.50% increase. And in 2011, when the Fire Unit received a 2.50%, the Police Unit received a 3.00% increase. [UB 38; VX 19B] The lack of parity, the Union says, is also shown by the Police Unit receiving in the most recent CBA “significantly more educational and supplemental pay compared to the Fire Unit.” [UB 38-41]

The Union also contends that its proposal is supported by the “relevant external comparability data.” [UB 41-46] Its central argument in this respect runs as follows:

Comparable data is not available from some of the proposed communities due to the fact that the collective bargaining agreements have not been finalized. For example, as of the date of hearing, for 2014-2016, no data was available for Bellwood (proposed by the Village only), Blue Island (proposed by the Union only), Bridgeview and Villa Park (proposed by both Parties). [UX 4, Tabs 1-10, 16-17; VX 19E] Subsequently, the 2014-2017 collective bargaining agreement for Blue Island was finalized. In accordance with Section 14(h)(7) of the Act, you have the authority to consider changes during the pendency of arbitration proceedings. Attached [are] the following Supplemental Union Exhibits containing updated data: 1) Supplemental UX 3, Tab 2, 2014-2017 collective bargaining agreement between the City of Blue Island and Blue Island Professional Firefighters Association, Local 3547, IAFF; and 2) Supplemental UX 4, Tab 3, Analysis of General Wage Increases (GWI) from ‘Top Base’ to ‘Top Base’ for: Firefighters.⁹*** Notably, Blue Island’s wage increases for the 2014-2017 collective bargaining agreement are 2.25% across the board for each year of the agreement, and longevity remains unchanged. [UX 3, Tab 2 at 39, 56]

For 2015-2016, no data is available for Forest Park (proposed only by the Village), Alsip and Westchester (proposed by both Parties). [UX 4, Tabs 1-10, 16-17] And for 2016, no data is available for Oak Forest and Roselle (proposed only by the Union), and Rolling Meadows (proposed by both Parties). (*Id.*). Thus, where there is no available data, the difference from average (“DFA”) is based upon the available data, and not projected data. (*Id.*). However, assuming application of the average percentage wage increase to those communities for which no data is available, the result is still the same, as demonstrated by the following chart:

	2013	2014	2015	2016
	9 of 11			
	-3.40%			
Union Rank		8 of 11	8 of 11	7 of 11
Union DFA		-2.48%	-1.44%	-0.70%

⁹ Included in this Supplemental Exhibit is a projection of the top base wage and dollar increase, using the average percentage wage increases amongst the comparables, for those comparables that do not have available data.

Village Rank		9 of 11	8 of 11	8 of 11
Village DFA		-2.98%	-2.18%	-1.69%

[UX 4, Tab 3]. Notably, under this projected analysis, both Parties' proposals cause the Union to move up in the ranking. However, such increased ranking is inconsequential because under either proposal, the Union remains below the average of the comparables. The significant difference is that the Union's proposal repairs the DFA, whereas the Village's proposal causes the Union to remain well below the DFA.

The Union also contends, in light of the Village's stipulation that it is not pleading a technical inability to pay [T. 113], that the "Village clearly can afford to pay the Union's Wage Proposal." [UB 48] In this respect the Union reviews Mayor Pedersen's testimony as to other Village projects and monetary needs, but argues that the Village can still afford to pay the \$219,000 over the Village's offer of \$775,000. [UB 48-49] It further argues [UB 50]:

When the Village came to the Union seeking concessions during a severe financial crisis, the Union was more than willing to work with the Village. In a good faith effort to assist the Village, the Union accepted zero wage increases in 2009 and 2010, accepted a smaller increase in 2011 than was received by the Police Unit and unrepresented employees, and worked to bring Paramedic services in house by, *inter alia*, working for free. [T. 236; VX 19B] Now that the Village has made an impressive financial turnaround, the Union is simply seeking to regain what it lost when it provided the Village with help when it was most needed. [Emphasis added by Arbitrator]

Finally, the Union contends that "The Village Failed To Present Any Evidence Or Analysis In Support Of Its Wage Proposal." [UB 51-52]

The Village's brief on the Wage Issue begins by stating its understanding of the "differences" between the Final offers [VB 15-16]:

The Union's wage proposal is approximately \$31,031 more expensive than the Village's wage proposal, without roll-up [VX 16]. However, the Village has not been unfairly frugal. Under the Village's proposal, base wages alone will increase by approximately \$372,553 over the life of the contract, the equivalent of an average wage increase, including steps, of 15.25% for each bargaining unit member over the life of the three-year contract [VX 16 A-C].

The Village then lists eight [8] reasons why it believes its proposal should be accepted and the Union's rejected. [VB 16-31]

The first one is that “The Union is not entitled to a catch-up Award.” Its argument in this respect reads as follows [VB 16-17]:

“The Union has made it clear that it plans to justify its final wage offer by relying on a “catch-up” argument. This argument might be persuasive if the Union ‘lost ground’ to the comparable communities because of an adverse arbitration decision, or because the comparable communities unexpectedly gave above-market wage increases. But that is not the case here. Rather, the Union is trying to undo the wage position that it voluntarily placed itself in during prior negotiations. Thus, the Union is not entitled to “catch up” without offering a *quid pro quo*. As Arbitrator Goldstein explained:

“[[I]t is a central purpose of the act to encourage the parties to engage in genuine arm’s length collective bargaining. It is not the responsibility of the arbitration panel to correct previously negotiated wage inequities, if any. **The concern of the panel and its authority to evaluate comparisons is limited to the current agreement. This is because the parties themselves had control over salaries and benefits previously negotiated.** They alone decided whether the ‘disparity’ in either base pay or overall compensation . . . was a pertinent consideration in their deliberations The chair must presume that in the past the parties reached agreement in good faith and considered all the factors they believed pertinent. Otherwise, this interest arbitration would be relitigating the issues of 1975 – long before the statute itself was passed.¹⁰

Second, the Village contends that the cost of living factor supports the Village’s proposal on wages. Continuing, it says [VB 17-18]: Arbitrators have long recognized the significance of cost of living data in the wage analysis for purposes of interest arbitration. *Village of Country Club Hills*, No. S-MA-02-245, at 36-37 (2003) (the union’s 4% wage offer, although unreasonable compared to the cost of living was accepted because the union’s proposal was closer to the 2.7% cost-of-living than the employer’s proposed 0% increase). Here, both parties’ offers exceed the relevant cost of living, but the Villages is closer to it than the Union.¹¹

¹⁰*City of DeKalb*, No. S-MA-87-76, at 26-28 (Arb. Goldstein, 1988) (emphasis added).

¹¹The Union considered the cost of living factor “insignificant” since the offers of both parties exceeded it. [UB 47]

Third, the Village contends that its final offer on wages is also supported by internal comparability. Its chart shows [VB 21] that the actual and proposed increases for the Fire and Police departments are identical from May 1, 2012 through May 1, 2016: 3.00 % in 2012-13 and 2.75% in 2014-2016 for a total of 14.25%. During the same periods the Public Works employees received or will receive 3.00% [while non-represented in 2012-2013] and 3.00% in 2014 and 2.50% in 2015-16 while represented; all of which totals 14.00% from 2012 to 2016. [VB 21]

Fourth, the Village contends that its final offer on wages is also supported by the external comparables. [VB 22-26] In this respect the Village observes, *inter alia*, that over three years [2014-16] the Village's comps total wage increase is 6.42% while the Village's proposal is 8.25% and the Union's is 9.25%. Further, it says, the same is true based on the Union's comps whose total wage increase is 6.51%. [UX 4, Tab 3; T. 58-59]

Fifth, the Village relies on another criterion in support of its wage offer: its ability to attract and retain qualified applicants. It cites and quotes from a decision by Arbitrator Briggs in *Village of Arlington Heights*, Case No. S-MA-88089 (1991) at 22-23:

“A third factor supporting adoption of the Village's salary offer concerns its record of attracting and retaining employees in the fire protection service. If wages were too low in relation to comparable jurisdictions, the Village of Arlington Heights would likely have experienced past difficulty in recruiting qualified applicants and encouraging those hired to stay. . . . Overall these statistics support the conclusion that the employment package received by Arlington Heights Firefighters (i.e., their wages, hours and working conditions) has been generally competitive with those offered in comparable jurisdictions. Catch-up is not warranted.”

“Here, the Village says [VB 28], it “has had no issue recruiting strong candidates with the wage and benefit package that it has offered to its firefighters thus far. Indeed, the wage and benefit package currently in place is strong enough that only two individuals have left to work for another department over the last 10 years. One of the individuals, a SAFER Grant employee still under a

probationary period, went back to his former department where he received a full-time position. The other employee transferred to Mt. Prospect after only 19 months. [VX 22 at 2]”

Next, the Village contends that “The Interests And Welfare Of The Public Strongly Support Acceptance Of The Village’s Final Wage Offer.” In this respect, the Village states as follows [VB 28-30]:

“The Village has a finite amount of money. As such, the Village faces countless competing demands for that finite amount of money. The Mayor was voted into office to determine the needs of the Village as a whole and is in the best position to determine those competing needs.

“At the hearing, the Union dwelled on the Village’s ability to pay the bargaining unit members more than what the Village has offered. But arbitral precedent is clear that just because an employer *could* pay a Union’s wage demands does not mean that the employer *should* be compelled to give in to those demands “unless it is satisfied that there will be some public benefit from such expenditure.” *City of Crest Hill*, Case No. S-MA-97-115, at 26 (Goldstein, 1988) (citing *City of Gresham & IAFF 1062* (Clark, 1984).

“Here, the Village has put a lot of money on the table in attempt to reach a final agreement. As such, it is not seeking to avoid its responsibility to the citizens of the community or to bargaining unit members by not properly funding fire services. Franklin Park spends far more for fire services per capita than most of the external comparable communities (Franklin Park ranks third out of ten) (*See Village Finances Section B, supra*).

“While the Village is not claiming a technical inability to pay, the interests and welfare of the public do not call for more money than the Village has put on the table, particularly where the Village has had no trouble remaining competitive in the local labor market (Tr. 113; *Section II, E., supra*). *See City of Mt. Vernon*, Case No. S-MA-94-215, at 16 (Arb. Briggs, 1995) (wherein the arbitrator concluded that it is not in the interest of the public for the City to pay its employees more than the level necessary to remain competitive in the local labor market). Also of relevance here are the following statements made by Arbitrator Meyers:

“It must be noted that even if the City has not presented sufficient evidence to establish an inability to pay under Section 14(h) (3) of the Act, the City nevertheless does face financial challenges due to the impact of current and wide-ranging economic difficulties. As this Arbitrator has found in other interest arbitration proceedings, these financial challenges do constitute one factor that “normally or traditionally” should be taken into account when considering wages, hours, and conditions of employment pursuant to Section 14(h) (8) of the Act.

see also City of DeKalb, Case No. S-MA-10-366, at 12 (Arb. Meyers, 2012). The Village would like to use its limited financial resources for countless more compelling projects. For example, the

Village would like to add staff in several of its departments, including its fire department, replace equipment, provide for more training, and fund much needed infrastructure improvements (VX 32; Tr. 193-198). However, the infrastructure improvements alone would require at least \$289,000 (Tr. 197). In other words, the Union's exorbitant wage demand for an extra \$185,000 would subsume the money needed for the Village's infrastructure improvements.

"As the Mayor indicated during the hearing, the Village has items of higher priority on its agenda than granting the Union's astronomical wage request." [T. 197]

Discussion and Finding on Economic Issue # 1

Among the variety of arguments advanced by the parties, one is conclusive and requires denial of the Union's offer and acceptance of the Village's offer. The record is clear, and the Union admits, that its request for an "Equity Adjustment" is based on its agreement in the 2009-2012 CBA to accept zero wage increases for two years. As it said [UB 50]: "the Union is simply seeking to regain what it lost when it provided the Village when it was most needed." Apart from the fact that the Union also got something in return, namely, no layoffs [when other employees did], as Arbitrator Goldstein observed in the *City of DeKalb, supra*, p. 8:

"[I]t is a central purpose of the Act to encourage the parties to engage in genuine arm's length collective bargaining. It is not the responsibility of the arbitration panel to correct previously negotiated wage inequities, if any. The concern of the panel and its authority to evaluate comparisons is limited to the current agreement. This is because the parties themselves had control over salaries and benefits previously negotiated."

As Arbitrator Goldstein also said in *City of Burbank*, Case No. S-MA-97-56, at 9-11 (1998): "the Village should not now have to pay a premium to the firefighter bargaining unit to make up for a bargain with which the Association entered into voluntarily in the last round of negotiations."

Other arbitrators have reached similar conclusions. For Example, in *City of Marinette* (Firefighters), Decision No. 30771-A (2004), Arbitrator William Petri said [p. 40, fn. 85]:

"In a related observation, the Union's reference to alleged deterioration in firefighter wage

rates dating back to 1992 is not relevant in these proceedings, because the interest arbitration process is not a vehicle for revisiting the propriety of such previously negotiated wages, hours and terms and conditions of employment.”

Similarly, Arbitrator Edward Krinsky stated in *Village of Greenfield*, Decision No. 30432-A (2003), p. 8:

“The Association presented data showing that deterioration of Greendale's wage position relative to the comparables has occurred since at least 1991. The arbitrator is not persuaded of the need to review those figures. As the Village has emphasized, the Agreements which were bargained during this period were voluntary agreements, not the result of arbitration. Thus, to the extent that there has been wage deterioration, it is something which the parties realized, or should have realized was occurring when they mutually arrived at their settlements. **The Association's arguments are not persuasive that arbitration should now be used to begin to correct the results of years of voluntary bargaining.**” [Emphasis added]¹²

Accordingly, it is unnecessary for the Arbitrator to consider further or resolve the additional arguments of the parties set forth above. For the reasons stated above, Economic Issue No. 1, Wages, must be resolved in favor of the Village.

ECONOMIC ISSUE #2 LONGEVITY

Current Contract Language

Section 5.3. Longevity Pay for Employees from and after the Date of Execution of this Agreement.

(a) Effective upon execution of this Agreement, any bargaining unit employee who has completed twenty-four (24) years of service as a Franklin Park firefighter shall receive longevity pay as described hereinafter. Such longevity pay shall be paid by increasing the employee's base wage, as shown in Appendix A, by five percent (5%) during the employee's twenty-fifth (25th) year of service. Upon the employee completing the twenty-fifth (25th) year of service as a Franklin Park firefighter, the longevity pay shall cease being paid, and the employee's base wage shall be as set forth in Appendix A.

¹²Although the *Marinette* and *Greendale* cases arose under the Wisconsin Interest Arbitration statute, that law is identical to that of Illinois.

(b) Effective upon execution of this Agreement, any bargaining unit employee who has completed twenty-nine (29) years of service as a Franklin Park firefighter shall longevity pay as described hereinafter. Such longevity pay shall be paid by increasing the employee's base wage, as shown in Appendix A, by five percent (5%) during the employee's thirtieth (30th) year of service. Upon the employee completing the thirtieth (30th) year of service as a Franklin Park firefighter, the longevity pay shall cease being paid, and the employee's base wage shall be as set forth in Appendix A.

(JX 2 at 4-5)

Union Proposal

Section 5.3 2. Longevity Pay for Employees from and after the Date of Execution of this Agreement.

(a) Effective upon execution of this Agreement, any bargaining unit employee who has completed ~~twenty-four (24)~~ fifteen (15)¹³ years of service as a Franklin Park firefighter shall receive longevity pay as described hereinafter. Such longevity pay shall be paid by increasing the employee's base wage, as shown in Appendix A(1), by ~~five percent (5%)~~ one percent (1%) ~~during the employee's twenty-fifth (25th) year of service~~ at the beginning of the employee's fifteenth (15th) year of service through completion of the employee's nineteenth (19th) year of service, which shall be non-cumulative. At the beginning of the employee's twentieth (20th) year of service through completion of the employee's twenty-fourth (24th) year of service, the employee shall receive a two and a half percent (2.50%) increase to their base wage, which shall be non-cumulative. At the beginning of the employee's twenty-fifth (25th) year of service and each year thereafter, the employee shall receive a five percent (5%) increase to their base wage, which shall be non-cumulative. ~~Upon the employee completing the twenty-fifth (25th) year of service as a Franklin Park firefighter, the longevity pay shall cease being paid, and the employee's base wage shall be as set forth in Appendix A(1).~~

(b) ~~Effective upon execution of this Agreement, any bargaining unit employee who has completed twenty-nine (29) years of service as a Franklin Park firefighter shall receive longevity pay as described hereinafter. Such longevity pay shall be paid by increasing the employee's base wage, as shown in Appendix A(1), by five percent (5%) during the employee's thirtieth (30th) year of service. Upon the employee completing the~~

¹³ By correspondence dated July 13, 2015, Union counsel notified Village counsel, with a copy to this Arbitrator, that the reference to fifteen (15) years was a typographical error, as it was intended to provide that employees who complete fourteen (14) years of service shall receive longevity pay, which corresponds with the Union's proposal to have longevity pay commence at the beginning of the employee's fifteenth (15th) year of service. The fact that this proposal contains a minor typographical error was reiterated at hearing. (Tr. 90). The Village neither objected to Union counsel's July 13, 2015 correspondence, nor the Union's presentation on this issue at hearing.

thirtieth (30th) year of service as a Franklin Park firefighter, the longevity pay shall cease being paid, and the employee's base wage shall be as set forth in Appendix A(1).
(JX 3 at 7-8).

Employer Proposal

The Village proposes no changes to the current contract language.
(JX 4 at 4).

THE UNION'S CONTENTIONS

The Union first contends that bargaining history supports its position and offers this chart to show that the Parties had agreed to longevity increases beginning as early as after 4 years. [UB 54-55; UX 1, JX 2]:

Contract Year	Longevity Provision	Max. Accumulation	Applicability
1973-1974	3% after 4 years of service and every 4 years thereafter	12%	All employees
1974-1976	2% after 4 years of service and every 4 years thereafter	8%	All employees
1977-1978	2% after 4 years of service and every 4 years thereafter	8%	Those hired before May 1, 1976
1978-1980	2% after 4 years of service and every 4 years thereafter	8%	Those hired before May 1, 1976
1980-1982	2% after 4 years of service and every 4 years thereafter	8%	Those hired before May 1, 1976
1982-1984	2% after 4 years of service and every 4 years thereafter	8%	Those hired before May 1, 1976
1984-1986	2% after 4 years of service and every 4 years thereafter	8%	Those hired before May 1, 1976

1986-1988	2% after 4 years of service and every 4 years thereafter	8%	Those hired before May 1, 1976
1988-1990	Rolled into salary	6% or 8%	Those hired before May 1, 1988
1990-1992	N/A	N/A	N/A
1992-1995	N/A	N/A	N/A
1995-1998	N/A	N/A	N/A
1998-2001	N/A	N/A	N/A
2001-2004	N/A	N/A	N/A
2004-2007	N/A	N/A	N/A
2007-2009	10% during 30 th year of service only	N/A	Those who completed 29 years
2009-2012	10% during 30 th year of service only	N/A	Those who completed 29 years
2012-2014	10% during 30 th year of service only		Those who completed 29 years as of May 1, 2012
	5% during 25 th year of service only		Those who completed 24 years of service after May 1, 2012
	5% during 30 th year of service only		

As the chart shows, for the first eight (8) collective bargaining agreements, the parties agreed to longevity increases that began after the 4th year of service and continuing every 4th year thereafter with a specified maximum percentage accumulation. Then, the parties agreed to roll longevity into the wage rates through increased wage rates for the next seven (7) collective bargaining agreements, but returned to having a separate longevity provision for the past three (3) collective bargaining agreements. This shows there is a history of longevity pay being provided earlier than twenty-five (25) years of service. [UB 56-57]

During negotiations for the 2012-2014 Agreement, the Union proposed adding another

longevity step, and increasing the longevity percentage. (T. 230) The Village did not agree and submitted a counter proposal to eliminate longevity completely. (T. 228, 231). Ultimately, the Parties agreed to lower the longevity percentage increase and break it down into two steps: 5% in the 25th year and 5% in the 30th year. (T. 231)

The Union denies the Village's characterization of the longevity proposal as a breakthrough. (T. 102, 179). Although it is a change to the status quo, the Union believes it does not constitute a breakthrough because the Union is not seeking to implement entirely new benefits or procedures, but rather is simply proposing to increase the existing longevity pay and the timing of when it is paid. Citing *City of Park Ridge and Fraternal Order of Police (FOP) Labor Council*, ILRB Case No. S-MA-10-232 (Hill, 2011) at 28, the Union says [UB 57]:

[t]he well accepted standard in interest arbitration when one party seeks to implement entirely new benefits or procedures (as opposed to merely increasing or decreasing existing benefits) or to markedly change the product of previous negotiations is to place the burden on the party seeking the change. [Emphasis by Arbitrator]

In each instance, the burden is on the party seeking the change to demonstrate, at a minimum:

- (1) that the old system or procedure has not worked as anticipated when originally agreed to or
- (2) that the existing system or procedure has created operational hardships for the employer (or equitable or due process problems for the union) and
- (3) that the party seeking to maintain the status quo has resisted attempts at the bargaining table to address these problems.

Therefore, the Union holds that its longevity proposal is not a breakthrough, and that it satisfied its burden to change the *status quo*. [UB 57-58]

Next, the Union contends that its proposal is supported by a majority of the external

comparables. In this respect it says that out of its ten proposed comparable communities, Alsip, Blue Island, Rolling Meadows and Westchester receive longevity payments after ten years of service and every year thereafter. Chicago Ridge receives longevity pay after four years of service and every year thereafter, and Villa Park receives longevity payments after seven years of service and every year thereafter. (UX 4, Tab 16) The remaining four proposed comparable communities do not receive longevity pay. Franklin Park is the only community amongst the comparables that receives longevity pay in the form of a pay spike that it is only given during the specified years of service and ceases being paid upon completion of said years of service. (*Id.*).

The Union's proposal would commence longevity at the beginning of fifteen (15) years of service, with employees to receive an additional 1.00% added to the base, which is non-cumulative, from the commencement of the fifteenth (15th) year of service through completion of nineteen (19) years of service. Then, employees are to receive an additional 2.50% added to the base, which is non-cumulative, at the commencement of the twentieth (20th) year of service through completion of the twenty-fourth (24th) year of service. Finally, at the commencement of the twenty-fifth (25th) year of service and every year thereafter, an additional 5.00% is added to the base, which is non-cumulative. (*Id.*). The remainder of the current language has been stricken as a matter of housekeeping. (T. 90-91; JX 3 at 7-8).

The Union also says, assuming *arguendo*, that the Arbitrator adopts some or all of the Village's proposed comparables, their inclusion will only favor the Union. Bellwood provides longevity pay in the form of a 1.75% cumulative increase to Firefighters' base pay and a 1.25% cumulative increase to Lieutenants base pay for those with twenty (20) or more years of service. (UX 5C, Bellwood 2011-2013 Agreement at 29). Forest Park provides for a 4.5% longevity increase

to the base wage for employees who have completed twenty (20) years through twenty-five (25) years of service, at which time wages revert back to the base.¹⁴ (UX 5C, Forest Park 2012-2015 Agreement at 29). Although Forest Park's longevity ceases to be paid at twenty-six (26) years of service, the fact remains that employees receive longevity pay in the form of a percentage increase to their base that is cumulative for five (5) years. Melrose Park provides for longevity at five (5), fifteen (15) and twenty (20) years, with a 9.50% increase at five (5) years, a 2.00% increase at fifteen (15) years, and a 3.00% increase at twenty (20) years. (UX 5C, Melrose Park 2012-2013 Agreement at 6, Melrose Park 2014-2017 Agreement at 6). The Union says that its longevity proposal, together with its wage proposal brings the Village in line with the majority of comparable communities and most closely meets the statutory criteria.¹⁵

Finally, the Union contends that the Village failed to present evidence to defeat the Union's proposal. [UB 61]

THE VILLAGE'S CONTENTIONS

The Village's summation of the "History" of the "Longevity" provision is instructive [VB 9-10]:

"The Village and the Union mutually agreed to fold longevity payments into base wages and eliminate the longevity system years ago. In the 1980s, the bargaining unit employees had the benefit of a true longevity provision. Then, in the 1988 through 1990 Agreement, longevity payments were rolled into the base wages (T. 165-166). Thereafter, the bargaining unit employees

¹⁴Employees who qualify for such longevity increase also have to pay an additional 4.5% of their base pay to their health insurance premium contribution. (UX 5C, Forest Park 2012-2015 Agreement at 29).

¹⁵The Union also says it is inconsequential that none of the internal groups receive longevity because the Fire Unit has received longevity more often than not during its long bargaining history with the Village.

went 6 contracts with no separate longevity payments¹⁶ (VX 27; T. 229 wherein the Union's witness¹⁷ stated that prior to 2007, he "was not aware of longevity").

"During negotiations for the 2007 Agreement, the Union made a proposal to include an "early retirement incentive" provision in the contract, labeled under the guise of "longevity" (VX 11; T. 229-30). The Union's witness acknowledged that the *status quo* longevity provision was not a "traditional" longevity provision, which compensates employees for continued service throughout the life of the Agreement (T. 230). Rather, the current language was intended to provide firefighters, later in their career, with an "early retirement incentive" (T. 230).¹⁸ The parties negotiated the incentive to provide for employees, in year 30 of their employment, to receive a 10 percent increase for the duration of their 30th year of service, which would disappear on the first day of their 31st year of service (T. 231-232; VX 13 at 4).

"In 2012, the Union requested and the Village agreed to slightly change the nature of the early retirement provision by "lowering the percentage, breaking it down to two steps, 25 and 30 years, instead of the one, which also made it more available to more members who may not be able to work until their 30th year" (T. 231). The fact of the matter is that the so-called longevity payment remained an early retirement incentive. This retirement incentive is available for the entire 25th or 30th year of service without any condition precedent, such as a requirement to actually give notice of retirement, prior to receiving the benefit. (VX 13 at 4)"

The Village's argument begins as follows [VB 33]:

"The Union proposes to drastically change the parties' mutually negotiated longevity proposal via this interest arbitration. The Union's proposal differs from the negotiated *status quo* in a number of ways. It converts a retirement incentive into a longevity program; dramatically accelerates eligibility to receive the benefit from the 25th year of employment to the 15th year of employment; eliminates the loss of the benefit after completion of the 25th year and the 30th year; increases wages for bargaining unit employees that have attained at least their 15th year of employment every year from year 15 through year 30 and beyond; and increases the value of the longevity benefit every year that there is an increase in base wages." (T. 230-231; emphasis in original)

Next, the Village contends that this proposal is "clearly a breakthrough" that is "neither justified nor supported by any *quid pro quo*." Its argument is as follows [VB 34-36]:

"Arbitrators place a heavy burden of proof on any party which proposes a breakthrough in

¹⁶This is confirmed by the Union's chart, *supra*, p. -]

¹⁷This was the Union's former president who served during the 2007-2014 contracts. [T. 214-215]

¹⁸Two Firefighters with 37 and 39 years seniority then took retirement. [T. 229-230]

interest arbitration. E.g., *Village of LaGrange*, Case No. S-MA-11-248, at 4 (Arb. Perkovich, 2013):

“***the Arbitrator explained that a ‘breakthrough’ is much like beauty, i.e., it lies in the eyes of the beholder.” *Id.* at 3. The Arbitrator went on to define three separate litmus tests that could be used to determine whether a proposal is the type of change that should be labeled a ‘breakthrough’ proposal:

1. ‘A relatively easy method would be to determine whether the item is a new benefit or provision in the agreement.’
2. ‘Another method would be a quantitative analysis, e.g., the cost of a final offer.’
3. ‘There remains then a qualitative approach.’ Under the qualitative approach, the Arbitrator considers the parties’ bargaining history and how long the negotiated *status quo* has been in effect. *Id.* at 4.

“The Union’s proposal is a breakthrough under any of the three aforementioned alternative tests.

“The first litmus test is easily satisfied. As described in *The Parties Bargaining History*, Section B, *supra*, what the parties negotiated into their Agreement is an ‘early retirement incentive’ merely labeled ‘longevity.’ Now, the Union seeks to unilaterally change the parties’ arms-length agreement and provide for a very costly, double dipping longevity benefit.

“Under the second litmus test – the quantitative approach – the Union’s longevity proposal would cost the Village at least an additional \$77,867¹⁹ over the life of this Agreement alone – a 302%²⁰ increase compared to the current benefit! (*Compare* VX 17 C and D, which demonstrates the cost of the Village *status quo* longevity proposal and Union’s breakthrough longevity proposal, using the Village’s proposed wage increase). This additional expenditure of public dollars is certainly a breakthrough.

“Finally, the Union’s proposal is a breakthrough even under the third litmus test – the qualitative approach. The Village demonstrated in *The Parties Bargaining History*, [VB, *supra*, that the parties voluntarily negotiated the longevity provision out of the contract and rolled the money into base wages in the 1987-1990 Agreement (VX 27). Throughout the duration of the following six bargaining agreements, the parties voluntarily proceeded without any longevity provision. *Id.* In 2007, the parties negotiated an early retirement incentive into their contract, which they labeled as “longevity.” To this day, and for more than 25 years, the parties do not have a longevity benefit such as the one the Union seeks to unilaterally impose upon the Village.

“As such, any suggestion by the Union that its Longevity proposal is not a breakthrough issue is derisory. The Union has simply not established the proof necessary to carry the day with its

¹⁹ Footnote omitted.

²⁰ The Union’s proposal costs approximately \$103,569 during the life of this Agreement. The Village’s *status quo* proposal costs approximately \$25,702 during the life of this Agreement. That is approximately a 302% increase.

breakthrough proposal to unilaterally impose a costly benefit upon the Village that it could not and would not have received through arms-length bargaining, at least not without some *quid pro quo*.”

Continuing, the Village also argues that: “The Union’s proposal does far more than merely modify a current benefit; it seeks to completely and totally change the bargained-for benefit. Indeed, the Union’s proposal is a clear attempt to gut the Village’s current retirement incentive and inject a brand new, far more costly benefit into the Agreement.” [VB 36]²¹ Further, the Village states [VB 37]: “*** the Union has not demonstrated a substantial and compelling need for changing the early retirement incentive to a longevity provision, nor that the negotiated *status quo* has failed to work, let alone that the provision has caused inequities for the bargaining unit. The *status quo* provision was intended by the parties to apply as a retirement incentive. There is simply no evidence that it does not operate as intended.” Even if the Union had established a need to change the *status quo*, it has not offered the requisite *quid pro quo* to attain it. [VB 37]

Further, the Village states [VB 37]: “The Union cannot justify its exceedingly expensive proposal. There are three different costs which are applicable here. First, *** there will be an increase in longevity pay from the bargained for \$7,808²² per employee to a unilaterally imposed \$35,323 per employee – a 493% increase! (VX 31).” Moreover, the Village says, the added cost to it of the Union’s proposal during the three year contract would be \$77,867 [VX 17 C & D]; and

²¹Citing: *University of Illinois at Springfield, Case No. S-MA-00-282, at 8 (Arb. Perkovich, 2002)*, citing *City of Burbank, Case No. S-MA-97-56 (Arb. Goldstein, 1998)*; as well as *Village of LaGrange, supra*; *City of Highland, Case No. S-MA-06-159, at 3 (Arb. Perkovich, 2007)*.

²²As footnoted by the Village: “VX 31 incorrectly indicated that the current longevity provision would grant firefighters only \$2,974.60 in years 25 and 30. However, 5% of \$78,083.25 (the salary at year 25 and year 30 assuming a 0% increase in wages) is \$3,904.16, not \$2,974.60. As such, \$3,904.16 plus \$3,904.16 = \$7,808.32.”

“over the course of a 30-year career with the Village” of all 38 unit employees, the cost would be \$1,045,570. [VB 38]

Finally, the Village contends “For the sake of argument, even if this Arbitrator were to hold that the Union’s proposal is not a breakthrough proposal, and instead applied the traditional Section 14 factors, the Village’s proposal is most reasonable in light of those factors.” [VB 39]

Discussion and Finding on Economic Issue # 2

Although §5.3 of the current CBA is headed “Longevity Pay,” it clearly is a misnomer. While it may have qualified as “longevity pay” in prior contracts between 1973 and 1988 since it increased at “2% after 4 years of service and every four years thereafter,” that changed in the 1988-1990 CBA when “Longevity Pay” was “Rolled into salary.” As the Union’s own chart shows [UX 1, *supra*, p.15] “longevity pay” ceased to exist under the six [6] CBA’s between 1990 and 2004-2007. The phrase, “longevity pay,” appears in Article V, Section 5.1 of the 2007-2009, 2009-2012 and 2012-2014 CBA’s which are headed “Compensation and Wages.” Article V, Section 5.2 Longevity Pay. In the first of those two CBA’s, §5.2 provides that an employee who completes 29 years of employment will receive in his 30th year of employment a 10% increase in his base pay for that 30th year, after which the 10% increase ceases. In the third CBA, 2012-2014, at the Union’s request, the 10% increase was split in half and a 5% pay increase was paid in their 25th and 30th years and ceased after each of those years. [T. 230-231]

The current CBA “longevity pay” provision was and is intended as an inducement to retire early after working twenty-five or thirty years. The Union’s proposal to change that provision is totally different. It is, in essence, a new provision that would guarantee pay increases after the 15th year of service and every year of service thereafter. Its effect would be to discourage early

retirement, just the opposite of the current “longevity pay” provision.

The Union has offered nothing to show the cost of its proposal. But the Village has computed the added cost to it of the Union’s proposal during the three year contract would be \$77,867 [VX 17 C & D]; and “over the course of a 30-year career with the Village” of all 38 unit employees, the cost would be \$1,045,570. [VB 38]²³

In the Arbitrator’s opinion, the Union’s proposal clearly is a breakthrough for which no *quid pro quo* has been offered. It is also a proposal that could not readily be attained at the bargaining table. For these reasons it must be, and is rejected. [My ruling is supported by, among others, the cases cited below]²⁴

ECONOMIC ISSUE #3 PARAMEDIC CERTIFICATION PAY

Current Contract Language

Section 5.4. Paramedic Certification Pay. All employees who are currently certified as a paramedic in the Loyola EMS System (Region 8) shall be paid \$1,000.00 during each fiscal year this Agreement is in effect. This \$1,000.00 payment shall be made on the first payday in June of each year this Agreement is in effect. This payment shall not be included in the calculation of employee’s annual base compensation, hourly wage, and overtime compensation. If an employee resigns, retires or is terminated after receiving this payment but before the end of the fiscal year for which the payment applies, a prorated amount will be repaid to the Village. This amount will be calculated by multiplying a fraction, the numerator of which is the number of days remaining in the fiscal year and the denominator of which is 365, by \$1,000.00. The final amount calculated will be deducted from the final compensation due to the employee by the Village.

²³While such scenario seems unlikely, those who leave will probably be replaced and after 15 years will be receiving the pay increases annually if this provision is in the CBA and remains there.

²⁴*City of Burbank, Case No. S-MA-97-56 (Arb. Goldstein, 1998), pp. 9-12; Village of LaGrange, Case No. S-MA-11-248 (Arb. Perkovich, 2013), pp. 3-5; City of Park Ridge and Fraternal Order of Police (FOP) Labor Council, Case No. S-MA-10-232, (Hill, 2011), p. 28; and University of Illinois at Springfield, Case No. S-MA-00-282 (Arb. Perkovich, 2002), p. 8.*

The Union's Final Offer

Section 5.4.3. Paramedic Certification Pay. All employees who are currently certified as a paramedic in the Loyola EMS System (Region 8) shall be paid ~~\$1,000.00~~ \$1,500.00 during each fiscal year this Agreement is in effect effective June 1, 2014. All employees who are certified as a paramedic in the Loyola EMS System (Region 8) shall be paid \$2,000.00 effective June 1, 2015. Effective June 1, 2016, all employees who are certified as a paramedic in the Loyola EMS System (Region 8) shall be paid \$2,500.00 during each fiscal year this Agreement is in effect. This ~~\$1,000.00~~ \$2,500.00 payment shall be made on the first payday in June of each year this Agreement is in effect. This payment shall not be included in the calculation of employee's annual base compensation, hourly wage, and overtime compensation. If an employee resigns, retires or is terminated after receiving this payment but before the end of the fiscal year for which the payment applies, a prorated amount will be repaid to the Village. This amount will be calculated by multiplying a fraction, the numerator of which is the number of days remaining in the fiscal year and the denominator of which is 365, by ~~\$1,000.00~~ \$2,500.00. The final amount calculated will be deducted from the final compensation due to the employee by the Village.

The Village's Final Offer

Section 5.4. Paramedic Certification Pay. All employees who are currently certified as a paramedic in the Loyola EMS System (Region 8) shall be paid ~~\$1,000.00~~ **\$1,250.00** during each fiscal year this Agreement is in effect. This ~~\$1,000.00~~ **\$1,250.00** payment shall be made on the first payday in June of each year this Agreement is in effect. This payment shall not be included in the calculation of employee's annual base compensation, hourly wage, and overtime compensation. If an employee resigns, retires or is terminated after receiving this payment but before the end of the fiscal year for which the payment applies, a prorated amount will be repaid to the Village. This amount will be calculated by multiplying a fraction, the numerator of which is the number of days remaining in the fiscal year and the denominator of which is 365, by ~~\$1,000.00~~ **\$1,250.00**. The final amount calculated will be deducted from the final compensation due to the employee by the Village.

THE UNION'S CONTENTIONS

The Union contends, first, that its "proposal is reasonable and supported by the Parties' bargaining history." [UB 63] Continuing, it says [*Id.*]:

"Paramedic pay first appeared in the 1978-1980 Agreement and remained in subsequent collective bargaining agreements until the 1992-1995 Agreement, as demonstrated by the following chart:"

CONTRACT	PARAMEDIC STIPEND
1978-1980	\$900.00/year
1980-1982	\$900.00/year

1982-1984	\$2,000.00/year
1984-1986	\$2,000.00 from 5/1/84 – 12/31/84, then \$900.00/year effective 1/1/85
1986-1988	\$900.00/year
1988-1990	\$900.00/year
1990-1992	3% above Firefighter base salary

According to Fire Chief Iouinelli, in 1992 the Village ended the requirement that new hires had to be paramedics and the Paramedic stipend “was rolled*** into the salary and then the stipend went away.” [T. 167-168] In its brief, however, the Union questions whether a comparison of the 1990-1992 and the 1992-1995 Agreements reflect that the stipend was rolled into the salary of the latter contract. [UB 63-64, citing UX 1, Tab 11, p. 24 & Tab 12, p. 27] The 1990-1992 CBA states:

“Firefighter -Paramedic
3% above Firefighters current salary base”

But, the Union says, the 1992-1995 CBA does not say that the “stipend went away.” It says: “Firefighter/EMT’ (not included in base pay for hourly rate.” “Regardless,” the Union says, “it is clear that the Village has history of paying a Paramedic Stipend that is higher than the *status quo*.” [UB 63-64]

The Union also notes that in the negotiations for the 2012-2014 CBA, it proposed a percentage instead of a stipend, but the Village was unwilling to agree to it. (Citing former Union president Palermo’s testimony at T. 234) The Parties reached agreement on a fixed amount that did not get added to the base, and, as Palermo also testified, the Union agreed to this because it was a “breakthrough item” for the Union and served as a building block for future Paramedic Stipend amounts. (*Id.*) [UB 64]

The Union also contends that its final offer “to increase the Paramedic Stipend to \$1,500.00 effective June 1, 2014, \$2,000.00 effective June 1, 2015, and \$2,500.00 effective June 1, 2016,” is

supported by its external comparables.” [UB 64-67]²⁵ Based on its analysis of five of its comparables that have both Firefighters and Paramedics,²⁶ as well as those that require that all Firefighters maintain Paramedic licensure,²⁷ the Union offered these conclusions [UB 64-65; UX 4, Tab 17]: “With regard to the top base Paramedic wages for 2013, Franklin Park is 5.58% below average. Out of the comparable groups that have a Paramedic differential (because they employ both Firefighters and Firefighter/Paramedics), Franklin Park’s Paramedic Stipend puts the Fire Unit at the very bottom of the comparables at a staggering 183.69% below average in 2013.” [UB 65]

The Union further argues [Id.]: “In 2013, the Village ranked 9 of 10 for base Paramedic wages and 6 of 6 for dollar differential amongst the comparables.” (*Id.*). Under its proposal, the Union says, “the ranks would improve as follows:”

	2013	2014	2015	2016
	9 of 10			
	6 of 6			
Union Top Paramedic Base Rank		8 of 10	7 of 10	4 of 10
Union \$ Differential Rank		5 of 6	5 of 6	3 of 6
Village Top Paramedic Base Rank		8 of 10	7 of 10	6 of 10
Village \$ Differential Rank		6 of 6	6 of 6	6 of 6

²⁵It also argues that: “the Union’s proposal maintains the *status quo* language specifying that the Paramedic Stipend is not added to the base. Given the sacrifices made by the bargaining unit to bring Paramedic services in-house (*i.e.* working for free to cover those going to Paramedic school), the Union’s proposal is both modest and reasonable.” [UB 64]

²⁶Alsip, Bridgeview, Oak Forest, Roselle and Westchester.

²⁷Brookfield, Chicago Ridge, Rolling Meadows and Villa Park.

“This chart, the Union says, demonstrates that both Parties’ proposals cause the Union’s rank to rise, whereas only the Union’s proposal causes the dollar differential to rise. The fact that the Union’s ranking improves under its proposal lends support to the proposal, as Palermo testified that, when the \$1,000.00 Paramedic Stipend was negotiated, they were “in the middle of the road” amongst the comparables. (T. 232-33). Thus, it is clear that the Union’s proposal restores the Union’s ranking amongst the comparables, whereas the Village’s proposal causes the Union to continue to lose ground.”

The Union also asserts that unlike the Union’s comparables, the Village’s proposal to increase the Stipend by \$250 is the only one not added to the base wage. [UB 66; T. 104]

The Village’s response on Paramedic Pay begins: “The Village’s Proposal To Increase The Paramedic Stipend By 25% Is Far More Reasonable than the Union’s 150% Proposal.” [VB 43]

Continuing, it says [*Id.*]:

“During the negotiations for the 2009-2012 contract, the Village acquiesced to the Union’s proposal to end its historical relationship with PSI in order to bring paramedic services in-house to be performed by bargaining unit members (VX 30). During the 2012-2014 contract term, the Village agreed to give the Union an annual paramedic stipend of \$1,000 (VX 30). Now, the Union characterizes that stipend, a creature born out of the parties’ mutual agreement, as “abysmal” (T. 104). In keeping with the theme of this arbitration, the Union wants more than the generous 25% increase in stipend offered by the Village; it wants a 150% increase to the stipend!”

It then posts this chart to show the cost difference [VB 44]:

TOTAL PARAMEDIC PAY COST DIFFERENCE		
Fiscal Year	Village Proposal	Union Proposal
FY 2015	\$4,750	\$9,500
FY 2016	\$4,750	\$19,000
FY 2017	\$4,750	\$28,500

TOTAL	\$14,250 (new money)	\$57,000 (new money)
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Next, the Village argues that the bargaining history does not support the Union’s large final offer [VB 44-45]:

“There is no evidence that the parties have been unable to negotiate paramedic pay at arm’s length. Rather, the parties’ bargaining history shows that the Village and the Union were able to negotiate paramedic pay through arms-length bargaining between 1980 and 1992, until the paramedic pay became incorporated into the base pay due to utilization of the non-bargaining unit paramedics that were employed by “PSI” (T. 167-168). After eliminating reliance on PSI, just three years ago the parties were again able to negotiate and settle upon a generous stipend for paramedics (VX 30). The Union admitted at the hearing that when it negotiated the \$1,000 annual stipend into the 2012-2014 Agreement, Union leadership at the time did not think the stipend was an “abysmal” benefit as it now alleges it to be (T. 232-233).

“This proposal is yet another example of the Union seeking to extract additional money from the Village, above and beyond an already generous package, for the sake of an improperly sought after “catch-up.” The discussion in Section III, C, *supra*, as to the irrelevancy of the Union’s “buyer’s remorse” is equally applicable here. The same bargaining teams shook hands and agreed to a \$1000 stipend just one contract term ago. To turn around now and ask for a huge increase in the paramedic stipend is preposterous. Instead of unnecessarily throwing money to this Union, the Village should be free to spend the additional monies on a plethora of public interest needs, which it will be much less capable of funding should the Arbitrator award any of the Union’s proposals.”

Finally, the Village concludes [VB 45]:

“The Union has not offered one iota of *quid pro quo* for the additional monies that it seeks on the paramedic stipend. Furthermore, there is no evidence that other communities increased their paramedic stipends while the Village’s remained frozen in place. Simply put, the Union yet again is crying ‘we want more,’ and they seek to acquire in interest arbitration what they could never acquire in good faith negotiations.”

Discussion and Finding

Although many arbitrators have long said that external comparables are the most important factor in deciding interest arbitrations, at least one distinguished arbitrator wrote on February 8, 2014 that “since the jolt of the Great Recession which started in 2008 and until the economy sufficiently

recovers, I have, for now, turned away from looking at external comparables to decide these cases.”²⁸ Since that was almost two years ago and the economy seems to have recovered, I will continue to consider the external comparables a highly significant factor in deciding this issue in this cases.”

First, looking at past CBA’s of the parties, it appears that during seven [7] of them between 1978-1980 and 1990-1992, a Paramedic Stipend of \$900 a year was paid for 4½ years, \$2000 was paid for 2½ years and 3% above Firefighter base salary was paid during 1990-1992 after which the Stipend apparently was rolled into the base salary. [T. 167-168] In the 2009-2012 CBA the Paramedic Stipend was revived and \$1000 a year was agreed upon [T. 232], and it continued in the 2012-2014 CBA [JX 2, p. 5]. Now the Village is offering to increase it to \$1250 in each contract year and the Union wants to increase it to \$1500 in the first year and \$2000 and \$2500 in the second and third years.

The external comparables lend strong support to granting the Union’s request. As shown on UX 4, Tab 17, in FY 2013 the “Top Base Paramedic Wages” for nine out of ten²⁹ of the Union’s comparables averaged \$79,827. Six of the Union’s comparables include six of the Village’s nine comparables: Alsip, Bridgeview, Chicago Ridge, Rolling Meadows, Villa Park and Westchester. While the average of the Union’s comparables is \$79,827, Franklin Park’s Top Base Paramedic Wage [which includes the \$1000 Paramedic Stipend] is stated to be, as corrected,³⁰ \$75,365. That

²⁸*City of Highland Park & Illinois Council of Police* [Table of Cases, # 11, p. 13]

²⁹Blue Island was omitted since it did not have paramedics. [T. 103]

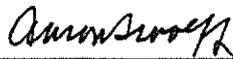
³⁰In an earlier footnote, the Union states: “Franklin Park’s top base Paramedic wage is incorrectly listed as \$75,865.00. (UX 4, Tab 17). Because the top base Firefighter wage is 74,365.00 and the Paramedic Stipend is \$1,000.00, the correct top base Paramedic wage is \$75,365.00.”

is \$4462 less than the average of the Union's comparables. UX 4, Tab 4 show even greater support for my decision to grant the Union's gradual increase of the Paramedic Stipend over three years. The latter document shows the "Total Cash Payments" to Firefighters/Paramedics. It reveals that the average such payment in FY2013 was \$81,954 which was \$6471 more than the \$75,483 that Franklin Park was paying. These are "catch-ups" to which the Franklin Park Firefighter/Paramedics are entitled; and the Union's request for annual increases in Paramedic Certification Pay is granted.

I have also considered the other statutory factors and find nothing that would alter the above conclusion. However, I do have some comments regarding Factor (3) "The interests and welfare of the public and the financial ability of the unit of government to meet those costs." In this respect I was greatly impressed by the Mayor's background and testimony as to other Village needs for the limited moneys available. But I was also impressed by [1] the Union's innovative bargaining proposals to end the subcontracting of paramedic service and bring it all in-house and [2] the manner in which the Firefighters aided in that process. Nor can I overlook the undisputed testimony that the Village was able to end the subcontracting of paramedics that was costing it between "\$820 and \$840,000 a year." [T. 217]

AWARD

1. Economic Issue # 1- The Village's proposal is accepted.
2. Economic Issue # 2- The Village's proposal is accepted.
3. Economic Issue #3- The Union's proposal is accepted.
4. Pursuant to the Parties' request, all of the signed/initialed Tentative Agreements ["TA'd] are accepted.



Aaron S. Wolff, Arbitrator

Entered at Highland Park, Illinois
this 31st day of December, 2015.