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INTEREST ARBITRATION DECISION

APR 05 1989

Il. State Labor Relations Bd.

UNION COUNTY

and

ILLINOIS FRATERNAL ORDER OF POLICE
LABOR COUNCIL, LODGE 201

.....
Salaries for Fiscal Year 1989
Effective December 1, 1988
.....

Decision: April 3, 1989

Appearances

Union County

William K. Cavanaugh, Jr.
Attorney
Cavanaugh & O'Hara

Police

Bill Mehrtens, Field
Representative

Arbitrator

Milton T. Edelman, selected
through Illinois State
Labor Relations Board

Issue

Only one issue is in dispute, salaries for all members of the bargaining unit for the fiscal year 1989, an economic issue. In advance of the arbitration hearing the parties agreed in writing that "the arbitrator will have the authority to make any salary or benefit award retroactive to December 1, 1988", the beginning of the County's fiscal year.

It is my responsibility under the Illinois State Labor Relations Act to choose either the final offer of the County or of the Union.



Final Offers

County The County offers an increase of fifty dollars (\$50) per month - \$600 per year - per employee across the board.

Union The Union proposes an increase of eight percent (8%) in each yearly salary of the wage schedule.

The agreement contains two wage schedules, one for Patrol Officers and the other for Dispatch/Jailers. All yearly salaries in both schedules would be increased by eight percent under the Union's offer.

Findings of Fact and Arguments

The FOP bases its case on three of the eight factors listed in the Act: external comparisons, changes in consumer prices, and ability to pay. The Union also uses an internal comparison by arguing that the Deputy Sheriffs in this bargaining unit deserve the larger increase when their salaries are compared to salaries of other County employees. Finally, the Union contends, the County has the ability to pay the Union's proposal.

External comparisons are made with ten other Illinois counties, those with populations under 20,000. Base (starting) salaries and ten-year salaries for Patrol Officers in Union County are lower than in any of the ten, while base and ten-year salaries for Dispatch/Jailers rank seventh.

The Union maintains that bargaining unit members have suffered a drop in purchasing power since December 1983. It supports this position by comparing salary increases between December 1983

and November 1988 with increases in the Consumers Price Index for Urban Workers (CPI-U) over the same period. Salaries, measured in constant dollars, declined.

The County's ability to pay is demonstrated, the Union contends, by the County's ability to finance increases for a number of non-union employees for the current fiscal year, some in amounts far in excess of the Union's proposal. These same employees will also receive the fifty dollars per month the County offers to Deputy Sheriffs, and to all county employees.

The County's case is based entirely on its inability to pay more than its proposed fifty-dollar per month increase. The County's budget for FY89 projects a deficit of \$16,700. Total expenditures for FY89 are projected at \$1,151,463, including the fifty-dollar per month increase offered to Deputy Sheriffs and given to all other County employees, and the special increases given to some employees - the increases the Union claims show the County's ability to pay.

When the current County Board took office two years ago, the County points out, it inherited a deficit of \$90,000. That deficit has been reduced by holding each department strictly to its budgeted spending. In the past the Sheriff's Department sometimes ran over budget. The projected deficit for FY89 - \$16,700 - is manageable, in the opinion of the County Board Chairman, but would not be so if the Union's proposal were adopted.

Analysis And Opinion

Although the Act lists eight factors to guide an arbitrator in choosing the final offer of one party, the Act does not say which factors carry greatest weight. The eighth factor is very

general, giving the arbitrator wide leeway in using factors "traditionally taken into account in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise".

Each side, of course, argues for giving its chosen factors greatest weight, so let us look at these factors and arguments one at a time.

The County makes no wage comparisons with salaries in other counties or in private employment, and challenges the Union's comparisons only by arguing that they are not good because fringe benefits are not included. But it is normal to compare salaries and fringe benefits separately. The Act's fourth factor does not require that non-wage compensation be included in external comparisons, although it does say that "conditions of employment" should be included. I can only assume, and, I believe, quite properly, that in counties of similar size the conditions of employment would be similar.

The only indication of labor turnover - another indicator of how salaries and working conditions compare with those in other places - is testimony from a former Deputy who left to take a higher paying police position in a nearby town. Although not conclusive in itself, it tends to support the FOP position.

In short, external wage comparisons justify the Union's offer.

The Union's proposal is also supported by the Act's fifth factor, changes in average consumer prices. The County does not question the Union's figures on this point, and my own review supports them except for one minor change which does not alter the final outcome. (I find the CPI-U for December 1983 to be

101.5 rather than 100.9, resulting in an increase of 18.5% in the CPI-U rather than the 19.23% given by the Union.) The result is a rather significant drop in purchasing power over five years - more than seven percent - and argues for the Union's position.

Part of this decline in purchasing power is accounted for by two years of zero salary increases, 1985 and 1987. In 1987 the County was operating under a substantial deficit so the FOP agreed to accept a wage freeze. There was no collective bargaining agreement in 1985.

Although I have no reason to question the County's projected deficit for FY89, there is some room for maneuver as the County acknowledges by calling that deficit manageable. It could be overcome, is the testimony of the County Board Chairman.

There is very little delinquent tax money to go after since collections typically run about 99%, and the County's levy is at the legal maximum. These facts favor the County but do not overcome other factors favoring the Union.

The total difference between the two offers is only \$4495 for all of FY89. As the County Treasurer and the Board Chairman describe the budget-making process and the actual spending procedure, it is evident that some changes between projected spending and actual spending are possible.

The County Board is to be commended for raising the very lowest salaries of County employees through a number of special increases. As the Board Chairman recognizes, those salaries were so low that it is difficult to understand how the employees - some heads of families - could manage. But those increases do raise troubling problems for this arbitration. Granted the Board

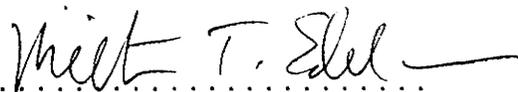
has the very special responsibility of making judgments on exactly where tax money should go, but the Act gives me the responsibility of deciding which offer to choose.

As this hearing was held one Patrol Deputy position was vacant and no specific plans to fill it were put forward. If it remains unfilled the actual cost of salaries for the Sheriff's department under both offers would be less than in FY88, \$9774 less under the County's offer and \$5279 less under the Union's. If it is filled the amount of the new Deputy's salary would have to added to the total salary cost under both offers.

I can only conclude that the budgetary restrictions relied upon by the Board are not quite as stringent as the projected deficit would indicate. Weighed against the other statutory factors which favor the Union's position, I choose the Union's offer.

Award

The Union's offer is chosen, an increase of 8% in each yearly salary of both wage schedules, effective December 1, 1988.



Milton T. Edelman

