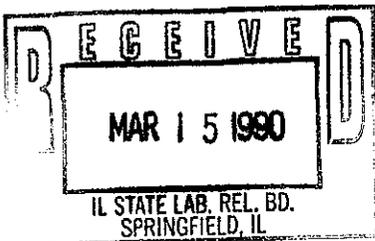


Lynn



Voluntary Interest Arbitration

| | | |
|---------------------------------|---|-----------------------|
| Village of Skokie, Illinois |) | AAA Case |
| ("Village" or "Employer") |) | No. 51 390 0319 89 B |
| |) | |
| |) | Arb. No. 89/104 |
| |) | |
| And |) | ISLRB No. S-MA-89-123 |
| |) | |
| |) | Before: |
| |) | Elliott H. Goldstein, |
| Skokie Firefighters Local 3033, |) | Arbitrator |
| International Association of |) | |
| Firefighters (IAFF) |) | March 2, 1990 |
| ("Union") |) | |

APPEARANCES:

On Behalf of the Union:

Joel A. D'Alba, Attorney

On Behalf of the Village:

R. Theodore Clark, Jr., Attorney

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Voluntary Interest Arbitration

| | | |
|---------------------------------|---|---------------------|
| IN THE MATTER OF THE INTEREST |) | <u>SUBJECT:</u> |
| |) | Salaries, longevity |
| ARBITRATION BETWEEN |) | pay, EMT-P stipend, |
| |) | and retroactivity |
| Village of Skokie, Illinois |) | |
| ("Village" or "Employer") |) | |
| |) | |
| And |) | |
| |) | |
| Skokie Firefighters Local 3033, |) | |
| International Association of |) | |
| Firefighters (IAFF) |) | March 2, 1990 |
| ("Union") |) | |

OPINION AND AWARD

I. STATEMENT OF THE CASE

On February 23, 1988, the Village and the Union entered into a collective bargaining agreement, effective February 24, 1988 and ending April 30, 1990. The parties made salaries retroactive to May 1, 1987, the start of the 1987-88 fiscal year. In January, 1989, in accordance with Article XXII of the Agreement, the parties opened the Agreement for renegotiation of three economic issues: salaries (Article VI) for the 1989-90 fiscal year (i.e., the amount of the salary and all steps [Sec. 1]; the longevity pay [Sec. 3]; and the dollar amount of the EMT-P stipend [Sec. 4]). In relevant part, Article XXII, Sec. 2 provides:

Section 2. Reopener in 1989. This Agreement may be reopened if either party notifies the other party in writing between January 1 and January 31, 1989 of its desire to reopen this Agreement, provided that any such reopener shall be limited to the amount of the

salaries and other compensation set forth in Article VI for the 1989-90 fiscal year, i.e., the amount of the salary at all steps (Section 1) but not the number of steps and the provisions governing step advancement (Section 2), the longevity pay and the number of years of service needed to be eligible to receive same but not the remaining contract language (Section 3), and the dollar amount of the EMT-P stipend (Section 4). In the event that such notice is given, reopener negotiations shall begin no later than forty-five (45) days prior to April 30, 1989.

The first negotiating session between the parties was on May 4, 1989. Both the Union and Employer submitted proposals on May 4. The Employer's proposal provided for a greater salary increase for firefighters at the top steps of the salary schedule. It also provided for retroactivity to May 1, 1989 (the beginning of the fiscal year for 1989-90), but only if the proposal was accepted without delay; no change in the longevity program; and an increase in the paramedic stipend. The Union responded with a proposal, dated May 3, 1989, but which in fact was submitted to the Employer on May 4, about an hour and one-half after the Village's proposal was submitted across the table. The Union's proposal asked for an across-the-board increase for all firefighters and lieutenants of the same percentage; an increase of 33 1/3% in the EMT-P stipend, a substantial upgrade in the longevity program, and full retroactivity to May 1.

From May 4, 1989 until September 11, 1989, the parties did not meet. On September 11th, in the presence of a Federal Mediator, the Employer presented a revised proposal to deal with the issues that were subject to the reopener. After negotiations that day, the parties reached impasse. Accordingly, on

September 11, 1989, they submitted their differences to interest arbitration in accordance with the terms of the Alternative Impasse Resolution Procedure incorporated as part of the parties' collective bargaining agreement (Jt. Ex. 1). The mandate to the interest arbitrator (ultimately I was chosen through the auspices and procedures for selection of arbitration of the American Arbitration Association) was to decide which of the final offers submitted by the parties with respect to the four outstanding issues (salaries, longevity, EMT-P stipend and retroactivity) most nearly complies with the criteria set forth in Section 14(h) of the Illinois Public Labor Relations Act.

For the purpose of this interest arbitration, the Union's final offer, made on September 11th, (Jt. Ex. 3) is as follows:

1. Salaries are to be increased by 4.2% on 5/1/89 and 1.75% on 1/1/89.
2. Salary increases are to be effective as of May 1, 1989 for all employees on the active payroll on that date, including employees who retired after May 1, 1989 but before the date of settlement of the reopener negotiations or the date of an arbitration award. Settlement of these reopener negotiations needs the ratification of the reopener negotiations by both parties.
3. Longevity payments for fire fighters are to be made in the following amounts:

| <u>Years of Continuous Unbroken Service</u> | <u>Monthly Amount</u> |
|---|-----------------------|
| 5 years but less than 10 years | \$ 300 |
| 10 years but less than 15 years | 600 |
| 15 years but less than 20 years | 900 |
| 20 years but less than 25 years | 1200 |
| 25 years or more | 1500 |

4. The Paramedics shall receive an annual stipend of \$1,200.00

The Employer also made a final offer for the purpose of interest arbitration on September 11, 1989 (Jt. Ex. 4):

1. Salaries Employees covered by the parties' Agreement shall be paid on the basis of the following:

Fire Fighters

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| A | 26,550 |
| B | 27,883 |
| C | 29,313 |
| D | 30,773 |
| E | 32,647 |
| F | 34,449 |
| F+ | 35,319 |

Lieutenants

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| A | 30,807 |
| B | 32,353 |
| C | 33,965 |
| D | 35,673 |
| E | 37,446 |
| F | 39,314 |
| F+ | 40,280 |

Lieutenants - Fire Prevention Bureau

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| A | 31,115 |
| B | 32,697 |
| C | 34,327 |
| D | 36,049 |
| E | 37,844 |
| F | 39,732 |
| F+ | 40,699 |

Effective November 1, 1989, employees covered by this Agreement shall be paid on the basis of the following:

Fire Fighters

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| A | 26,550 |
| B | 27,883 |
| C | 29,313 |
| D | 30,773 |

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| E | 32,973 |
| F | 35,052 |
| F+ | 35,937 |

Lieutenants

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| A | 31,346 |
| B | 32,919 |
| C | 34,559 |
| D | 36,297 |
| E | 38,101 |
| F | 40,002 |
| F+ | 40,985 |

Lieutenants - Fire Prevention Bureau

| <u>Step</u> | <u>Annual</u> |
|-------------|---------------|
| A | 31,660 |
| B | 33,269 |
| C | 34,928 |
| D | 36,680 |
| E | 38,506 |
| F | 40,427 |
| F+ | 41,411 |

2. EMT-P Stipend. Increase to \$1,150 per fiscal year.
3. Longevity Pay. Retain Article VI, Section 3, without change for the remaining year of the parties' three year collective bargaining agreement.
4. Retroactivity. The increases in compensation awarded by the arbitrator shall be retroactive to June 1, 1989, for employees still on the active payroll on the date the arbitrator's award is issued, provided that any employee who retired after June 1, 1989, but before the date on which the arbitrator's award is issued shall also be eligible to receive retroactive compensation for time worked between June 1, 1989, and the date of retirement.

Thus, the current final offers as set out in Jt. Exs. 3 and 4 and quoted above, may be summarized as follows. The Union's final offer requests salaries and all pay grades be increased by 4.2% on May 1, 1989 and 1.75% on November 1, 1989. The Employer proposes differential wage increases effective June 1, 1989 of 2%

for employees at pay Steps A through D, 3% increases for employees at Step E, and 3.5% increases for employees at Steps F and F+. It also proposes November 1, 1989 increases of 1% for employees at Step E and 1.75% increases for employees at Steps F through F+. The Union requests increases in the longevity payments currently received by firefighters. The Employer proposes no changes in the longevity payments. The Union's last offer for the paramedic stipend is \$1,200.00 per year, and the Employer's last offer is \$1,150.00 per year. The Union proposes retroactivity to May 1, 1989, the beginning of the 1989-90 fiscal year. Management in its proposal offers retroactivity to June 1, 1989. However, the parties by letter of agreement have agreed that employees who retire between May 1, 1989 and June 1, 1989 will have their annual compensation increased effective May 1, 1989 by the amount of the last salary offer selected by this Arbitrator (Jt. Ex. 5).

A hearing was held in Skokie, Illinois, on September 22 and October 4, 1989. Prior to the close of the hearing, the parties identified the four economic issues listed in Jt. Ex. 2 and discussed above (salary, longevity pay, retroactivity, and EMT-P stipend) as the only issues in dispute and also acknowledged that the four issues properly could be raised and decided pursuant to Section 2 of Article XXII of the Agreement, the "Reopener in 1989." (Jt. Ex. 1, P. 87). My jurisdiction to hear the case and issue an Award is thus not in dispute.

I received the Union's post-hearing brief on December 19, 1989 and the Employer's corrected post-hearing brief on January 10, 1990. Certain further letters and submissions from the attorneys for each respective party were submitted. On January 30, 1990, there was a final closing of the record and the date for the issuance of my decision was set at February 26, 1990. By agreement of the parties, that date was extended to March 5, 1990.

Accordingly, the four stipulated issues to be decided are as follows:

1. The amount of salary at all steps;
2. Proposed longevity program changes by the Union;
3. The dollar amount of the EMT-P stipend; and
4. Retroactivity of any awarded increases in the above listed compensation items, including eligibility of employees who retired after May 1, 1989 to receive retroactivity. 1/

1/ As noted previously, the Village proposed and the parties agreed to a Memorandum of Understanding which specifically provided that any firefighters who had retired between May 1 and June 1 would receive the salary increase retroactive to May 1, notwithstanding any acceptance by the Arbitrator of the Village's June 1 retroactivity offer. (Jt. Ex. 5).

II. PERTINENT RULES, REGULATIONS AND STATUTES

Although this dispute arose under the Alternative Impasse Resolution Procedure contained in Appendix A of the Labor Agreement (Jt. Ex. 1), which provides for interest arbitration of unresolved issues of the May, 1989 contract reopener negotiations, the parties stipulated that pursuant to those procedures, the Arbitrator is to resolve this dispute based upon the factors of Section 14(h) of the Illinois Public Labor Relations Act, Ill.Rev.Stat., ch. 48, §614(h). Sections 14(g) and (h) of the Illinois Public Labor Relations Act and Section 1230.100(b) of the Rules and Regulations of the Illinois Public Labor Relations Board, 80 Ill.Adm. Cod. 1230.100(b), provide that "with respect to each economic issue in dispute, the panel shall adopt the final offer of one of the parties, based on the following factors":

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 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 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.

III. THE FACTS

A. Background

Skokie is a northern suburb of Chicago with a population of approximately 61,000 people. The Village employs 109 personnel in the Fire Department and 106 personnel in the Police Department. Overall, there are 97 employees in the bargaining unit represented by the Union. There are 14 fire lieutenants (including the 3 lieutenants assigned to work in the "Fire Prevention Bureau") and 83 firefighters (Un. Ex. 14). Except for the 3 lieutenants assigned to the Fire Prevention Bureau, the remaining 94 employees are scheduled to work a 24-hours-on-duty, 48-hours-off-duty schedule, for an average of 56 hours per week. 38 of the 94 bargaining unit personnel are certified paramedics, for which they receive additional paramedic pay currently set at \$1,000 per year. According to the Union, paramedic pay is a supplement to base pay, and it is paid in all of the comparable towns which employ firefighters who are cross-trained as paramedics, the Union argues. The Employer claims statistical

data demonstrate that while the Skokie EMT-P stipend is below the median and average for other comparable jurisdictions, the high top step salary for Skokie firefighters more than makes up the difference.

B. Comparisons as to Productivity

The Union presented the testimony of Lieutenant Oscarson, President of the Local, and placed in the record extensive documentary submissions concerning increased duties and responsibilities since the time the current Agreement was entered into. It contends that the evidence shows changes in duties and increased training hours. These are reflected in the Skokie Fire Department's commitment to maintain a newly achieved, valued and prestigious ISO Class 2 rating. The firefighters, the Union and the Village are proud of the department's ISO-2 rating, but the Union believes that the amount of work (productivity) was raised to achieve that rating and that the salary levels should be raised a commensurate amount to be equivalent to the increase in amount of work expected and required. Union witness Lieutenant Oscarson, President of the Union, testified that only three other Illinois towns have such a rating, and 60 municipalities out of 2600 in the nation-wide survey for 0.23 percent are so rated. The Union submitted Un. Ex. 31, which it insists consists of changes in duties and responsibilities that have occurred since the last contract negotiations, from its point of view. The following is a summary of what the Union believes was an increase in duties and responsibilities:

- a. Pilot physical fitness program involving volunteers;
- b. Incident command system;
- c. Preparation of drawings based upon commercial inspections in order to determine the location of sprinkler connections and hazardous materials;
- d. Investigation of car fires involving damage in excess of \$1,000;
- e. Certification of firefighters through a State of Illinois program for hazardous materials response. The firefighters have become certified and are now known as hazardous materials technicians. The entire department has received the hazardous material training and the firefighters undergo continued training in this area;
- f. Operation of the Knox Box procedure in order to gain quick access to a building;
- g. Monitoring for the installation of smoke detectors and replacing worn batteries in smoke detectors;
- h. EMT-A training in order to qualify 95 to 98 percent of the firefighters as Emergency Medical technicians;
- i. Inspection and verification of bow string truss roofs and preparation of drawings to identify such roofs. Such roofs are dangerous and the Department maintains a list of their locations;
- j. New forms involving emergency medical service calls;
- k. Creation of a daily Controlled Substance Log and increased responsibility for paramedical to verify that narcotics are not missing from the drug box;
- l. Classes, study and preparation for the Firefighter III examination. Group training for the firefighters is the change that has occurred in this area; and
- m. Attendance of engineers in the Certified Fire Apparatus Engineer School.

On the other hand, the Employer presented the testimony of Captain Wilms as to the nature of firefighter's work for the department. The cumulative effect of this testimony is that there have been no actual changes in duties or responsibilities for

bargaining unit personnel since the inception of the current Agreement. Captain Wilms testified, for example, that the 24-hour-duty day for shift personnel commenced at 8:00 a.m., at which time roll-call is held and shift officers assign firefighters to a specific piece of apparatus and assign various daily tasks and household chores. The daily tasks, including checking on the status of each piece of apparatus and performing household duties, typically takes until 9:00 to 9:30 a.m., he stated. At that time, there is coffee/snack break which could last "from 20 minutes to ... as long as 45 minutes." Following the break, there is usually some kind of daily training in the morning which can take anywhere from an hour to an hour and forty-five minutes, according to Wilms. Lunch is generally taken at noon and lasts up to an hour, he said.

Captain Wilms further testified that, at 1:00 p.m., there are either scheduled activities or the station officer decides what "if anything will occur at that point." At some stations, there is "a recognized break around 3:00." Captain Wilms testified that while there is not a formal break in the afternoon at his station, it is "understood if there is nothing specifically scheduled or nothing basically going on, the guys are free to come and go as they please within the confines of the station."

In the afternoons, there is generally some training since the "object is to get a minimum of training time in during the course of a given weekday." Training and station chores are

concluded at 5:00 p.m. on weekdays, with the dinner hour commencing at that time, according to Wilms.

There is an exception, however, for "night drills", exercises held ten times a year to familiarize firefighters "with operating in the dark as opposed to during daylight."

Wilms testified as to the basic routines followed on weekends and holidays as requiring even less training time or time devoted to household chores. He, like Lieutenant Oscarson, did testify that firefighters are obligated to respond to fire calls and ambulance calls while on a 24-hour-duty tour. The parties agree that sleeping facilities are provided at each of the fire stations and by departmental rules, firefighters may occupy their bunks only between 7:00 p.m. and 7:00 a.m. As I noted at hearing, "... the whole idea of this service is the training and ... preparation and ... availability to be there at the fire ground to suppress fires." To Management, no new components have been added to this mission since the inception of the labor contract, the first between these parties.

In sum, Captain Wilms testified that there has been no change in the basic routine or requirements for training since the inception of the current Agreement in February, 1988. The Union contends there has been a substantial increase in the work expected of firefighters. Management emphatically denies that assertion. Further discussion of these factual discrepancies will be contained in the Discussion and Findings Section of this Award.

C. Collective Bargaining History

The Employer negotiates with two separate bargaining units, a unit of police officers represented by the Fraternal Order of Police (FOP) and the unit of firefighters involved in this proceeding. The first collective bargaining agreement that the Village entered into was with the FOP for a contract covering the 1986-1987 and 1987-1988 fiscal years. In the negotiations that preceded that first agreement, the FOP proposed increases in the amount of longevity pay; increases in vacation; and increase in retirement vacation allowance. Ultimately, the Village and the FOP agreed to incorporate in their contract "the then existing Village policy with respect to longevity pay for both police and fire". The Village's first contract with the FOP also incorporated the Employer's existing policies with respect to the amount of vacation and the retirement vacation allowances.

It was shortly after the first contract with the FOP was signed on December 3, 1986, that the Village commenced negotiations with the IAFF for its first collective bargaining agreement. The current agreement (Jt. Ex. 1) resulted from these negotiations and was signed on February 23, 1988. Although the IAFF, like the FOP, proposed increases in the longevity pay amounts, the parties' first contract incorporated without change the amounts that the Village had previously provided in terms of longevity pay. Like the FOP contract, the parties also ultimately agreed to maintain the prior vacation and retirement vacation allowance.

The Employer contended that the biggest issue in the first negotiations with the Union which led to the current contract was the amount of paid time off. Eventually, the parties acknowledged that it was agreed to add two additional "Kelly days". A "Kelly day" is a 24-hour day off without any reduction in the firefighter's annual salary. The first additional Kelly day was effective during calendar year 1988 and the second additional Kelly day was effective during calendar year 1989.

During the first negotiations between the parties, the Union and Village also agreed to increase the annual paramedic stipend, currently called the EMT-P stipend, from \$600 to \$1000, effective May 1, 1988.

Negotiations for the Village's second contract with the FOP began prior to May 1, 1988, and eventually resulted in an agreement being reached in late-September, 1988. The parties to that contract agreed to the following across-the-board increases in pay: Effective May 1, 1988, 4.25%; effective November 1, 1988, 1%; effective May 1, 1989, 3.5%; effective November 1, 1989, 1.25%; and effective May 1, 1990, 4%.

As noted, the Union and Village reopened the IAFF Agreement in January, 1989 and began to negotiate in May, 1989. The parties exchanged proposals on May 4th, and met on September 11, 1989 without reaching agreement. Accordingly, the current interest arbitration was requested on that date.

In the reopener negotiations, according to the testimony of Employer Chief Negotiator Clark, the Village submitted its proposal on May 4, 1989, which provided for a greater salary

increase for firefighters at the top steps of the salary schedule, as summarized above. The Village advised the Union that this change represented an effort on the Village's part "to try to provide additional pay for top step firefighters to address a concern that they had raised, but without altering the uniform longevity pay policy which the Village had had in place for quite a few years." Clark also stated both on May 4th and at the final bargaining session on September 11th that an additional reason for the change in philosophy of how compensation was to be increased (from across-the-board to greater increases at the top end) "was because the Village believed that at the entry level [it] was quite competitive and that the Village was trying to provide additional dollars for those firefighters at the top step[s] in order to try to respond to the Union's request that longer service employees receive additional compensation."

According to Spokesman Clark, the reason for the Village's retroactivity final offer to June, 1989, rather than the Union's proposed May 1 date was that it was predicated on Management making a final offer "that in terms of cost equated [with] what the Village had previously agreed to ... with the FOP." There is no question that "internal comparability" and the Employer's desire to maintain what it calls "symmetry" or roughly equal packages between the two unionized units - police and fire - is central to the manner in which the Village cast its proposals and final offer. A desire to avoid what the Employer believes would be an unfair degree of disparity between wages and benefits paid firefighters and wages and benefits paid police officers within

the Village is the driving wedge that led to impasse on at least the overall salary raise issue and also retroactivity.

Management strongly believes that the application of the statutory criteria to the four questions at issue will result in the acceptance by the Arbitrator of Management's final, best offers. It points out that, although the statute requires each issue to be considered separately, since all issues on the table are clearly economic in nature, the overall, "package" must also be always considered in an assessment of the reasonableness of each separate offer. Relying on comparisons with the other comparable cities; the proper assessment of cost of living data; the overall compensation presently received by bargaining unit members; the internal comparables, especially with the FOP unit and the public interest and right of the Employer to set priorities and determine the allocation of scarce resources, it urges the Arbitrator to accept all its proposals.

The Union, on the other hand, strongly contends that the application of the statutory criteria require a finding on each separate issue in its favor. It stresses past practice with reference to retroactivity. With regard to the wage increase issue, longevity pay, and the EMT-P stipend, it suggests that comparisons with the comparable municipalities, proper interpretation of the cost-of-living data submitted, and comparison of the overall compensation firefighters and the FOP unit should require the acceptance of its final and best offer. It also urges that productivity was also enhanced in the last two years, as noted above.

One factor particularly distinguishes this case from other interest arbitrations with which the Arbitrator is familiar. This is the agreement by the parties as to the municipalities appropriate for comparison purposes, the "outside comparables". The parties agreed that, for bases of comparison, the 16 (sometimes 17 municipalities, excluding Skokie) used by them in prior negotiations would be deemed to constitute the comparable universe. These municipalities are: Arlington Heights, Buffalo Grove, Des Plaines, Elk Grove Village, Elmhurst, Evanston, Glenbrook, Glenview, Highland Park, Morton Grove, Mt. Prospect, Northbrook, Niles, Oak Park, Prospect Heights, Park Ridge and Wilmette. (Un. Ex. 8).

Statistical data compiled by the Union with regard to these cities was obtained from interviews with presidents or other officers of labor organizations representing the firefighters in the agreed-upon comparable town, the fire chiefs of those units, and sometimes a review of collective bargaining contracts. (Un. Ex. 7). The Employer, on the other hand, argued that its data for the same towns was more reliable because it was based on the collective bargaining contracts and personnel manuals, which Management characterizes as "hard copy documentation".

Much of the controversy during the course of the two days of hearing related to disagreement as to what wages, terms and conditions of employment actually were being given in the other, comparable cities. Ultimately, the Union conceded that a review of the Employer's data by the Union's president, Union witness Oscarson, showed the differences to be minor, and that they do

not change the relative ranking of the Village. (Un. Ex. 52, see also p. 3 of the Union's brief).

I agree with the Employer that, generally speaking, "hard copy documentation" is to be preferred over second-hand information. Because the parties also finally agreed that Management's information was accurate, where there are the few discrepancies in the data used as bases for comparison, I will rely on the exhibits submitted by Management as presenting the better data for comparison purposes. Obviously, however, the interpretation to be placed on virtually all data is subject to strong dispute between the parties. Where these disputes exist, I make no general presumptions as to whose information and argument is best. This is one of those cases that perfectly illustrates the old saw that numbers can mean virtually anything the proponent wants.

Therefore, I will detail the differences in methodology and interpretation, and attempt to explicitly state why I accept the interpretation of one or the other of the parties on each particular point as I proceed to analyze all data and arguments presented. In the interests of brevity, I will not repeat the entire analysis for each issue, where the concepts and interpretation is the same. Also, each party made numerous arguments. It should not be presumed if an argument is not mentioned or extensively discussed that it was overlooked in my analysis. Rather, again in the interests of some limit to the length of the Award, only those arguments deemed by me to be important to my resolution of the issues are set out.

Finally, it is to be noted that much of the evidence presented was in the form of documentary exhibits, financial and other statistical data, and the interpretation of this information. A review of this data outside the context of the statutory criteria makes little sense. Accordingly, the crucial facts as to internal and external comparability, cost of living, the overall compensation presently received by the employees at issue, and ability to pay, if applicable, will be set out along with the parties' contentions in the discussion and analysis of each issue in light of the statutory criteria, and not set out at this point in the facts.

It was upon these facts that this case came before the Interest Arbitrator for a determination of the final, best offer.

IV. THE WAGE INCREASE

A. The Parties' Arguments

The Union's final offer calls for a total, annualized 5.95% wage increase with 4.2% to be placed in effect on May 1, 1989 and 1.75% on November 1, 1989. The Village proposes a 4.11% general increase during the 1989-90 fiscal year, assuming retroactivity to June 1, 1989, as both sides calculate the overall cost of the weighted increase. If I accept the Union's final offer with respect to retroactivity, a total across-the-board increase during the 1989-90 fiscal year as provided under the Village's offer would be 4.37%. Of course, as noted above, the Village's package relating to the wage increase is not a total percentage increase across the board but, instead, the total percentage

increase for firefighters at Step A-D would be 2%; the total percentage increase at Step E would be 4% (3% effective June 1, 1989 and 1% effective November 1, 1989); and the total percentage increase at Steps F and F+ would be 5½% (3½% effective June 1, 1989 and 1.75% effective November 1, 1989).

For both lieutenants and lieutenants-fire prevention bureau, the Village's last salary offer also would provide for total increases of 5.25% across-the-board at all steps (3.5% effective June 1, 1989 and 1.75% effective November 1, 1989).

Neither the Union nor the Village offered evidence as to the total monetary consequences of these alternative proposals in actual dollars and cents, as was done by both with regard to the longevity pay issue. In brief, however, since the parties did agree that the difference in retroactivity pay amounted to .25% in cost over the year at issue, and that, in turn, translated to approximately \$33,000.00, it is clear that the difference between the two offers, using the Union's final offer on retroactivity, annualized on an across-the-board basis, shows that there is a substantial difference in dollars between the two parties' offers. Any salary increase necessarily will have further economical consequences in terms of pension costs or other benefits predicated on the rate of base pay, of course.

Thus, although the differential in percentages is not "as wide as a mountain," the total monetary gap between the two positions is substantial. The significant difference in both amount and philosophy or methodology resulted in impasse on this crucial issue. Accordingly, I must evaluate carefully the

statutory criteria set out in Section 14(h) in order to assess what constitutes the final "best" offer to adopt with reference to the crucial wage issue. My discussion follows.

B. CONTENTIONS OF THE PARTIES

(i) The Union

The Union contends that firefighting is a dangerous and demanding occupation, and that, in fact, more injuries and payments for disabilities or death benefits have been accrued in this Village by firefighters than by police officers. It insists that the present remuneration afforded to firefighters inadequately reflects that fact. The Union disputes that an increase in salary in excess of 4.29% would break parity with the Skokie police, since the police already had been successful in departing from the parity principle in the last negotiation for the FOP's second labor agreement with the Village. Thus, internal comparisons with the only other unionized unit favor the Union's final offer, since the police through collective bargaining had changed the pattern which locked police and fire in step prior to the first collective bargaining agreements.

The Union further contends that the cost-of-living increases have outpaced salary increases for firefighters over the past several years. This is especially true when the point of reference for comparison is from May 1, 1988, when the last pay increase was received by bargaining unit employees, it urges. Moreover, the Union contends that firefighters in other cities to which the Union points are better compensated than are Skokie

firefighters. The disparity is present even if base wages are used, as Management wants to do, the Union suggests. It becomes all the more clear when overall compensation, including direct and indirect wages and all other benefits received, are the basis for comparison.

Although Management contended that the base salary figure should be used, according to the Union, it strongly argues that the statute itself contemplates that overall compensation, including an assessment of all benefits and direct and indirect wages, must be the point of comparison among the external comparables. Crucial in a realistic computation of comparable compensation is the fact that Skokie firefighter compensation must be reduced by the cost for health insurance, insists the Union, since Skokie firefighters are required to pay \$551 per year for group health insurance. In only two other jurisdictions, Park Ridge and Mt. Prospect, must firefighters pay part of the health insurance premium cost, it reminds the Arbitrator.

Moreover, the Union argues that the relatively low placement in a scale of comparison for the paramedic stipend, holiday pay, engineers' pay, "acting out" pay, and the various kinds of incentive pay, including education and longevity pay, also push Skokie firefighter compensation substantially below the median point which Management claims is the desired position among the comparables for its wage compensation package for this bargaining unit. The longevity program is especially low, and pulls down the overall pay substantially, when the proper, fairer and

statutorily mandated standard of the entire compensation package is held as the standard for comparison.

The Union also discounts Management's claim that the wage data should be analyzed solely on the basis of base pay rate, because Management at the same time insists that step increases, not just general wage increases, should also be factored into comparisons. It is to be remembered that more than half of the employees in Skokie are already at the F+ level and will not receive step increases in fiscal year 1989-90. Additionally, Management's exhibit 10, which seeks to use steps as part of the salary comparison, offers no comparable data as to the impact of any such step increases in other firefighter bargaining units on overall percentage increases granted by the other jurisdictions.

In the same vein, the Union stresses that the Employer introduced "recruitment evidence" in the Village 2/ but no comparable evidence of recruitment in other areas to show whether Skokie is really benefiting or keeping up its recruitment needs. The Union argues that an extension of the Employer's argument that in the event retention and recruitment continues to be good at the continued depressed pay levels, then minimum or no pay increases are warranted due to the general demand for Skokie firefighter jobs. Management is wasting resources, even with the

2/ The "recruitment" argument is that the Village has had no problem attracting qualified applicants and has had virtually non-existent turnover.

low offer. Since other jurisdictions are granting wage increases of approximately 5% or better this year, the recruitment argument does not justify this Employer's below average offer, because presumably it is the general demand to be a firefighter which is at play here.

The Union also points out that Management's reliance on its belief that Skokie firefighters have relatively high amounts of paid vacation time as a component of the pay program to offset poor longevity pay does not stand careful scrutiny. Employer Exhibit 24, for example, indicates only the differences between paid hours of vacation among the external comparables. The problem with this exhibit, insists the Union, is that it does not include the work reduction technique called "Kelly days," as explained above, which is used in various fire departments in the comparable universe. For instance, it is acknowledged that Arlington Heights firefighters receive 13 Kelly days per year, while Skokie firefighters receive only 4. Thus, an approximate balance in total days off (paid vacation and Kelly days) is reached between these two towns. To the Union, the peculiarities in each jurisdiction's work schedule, including vacation, work reduction days, and holidays precludes a thorough or fair analysis of paid time off as an offset to the fact Skokie pays the lowest in longevity pay. The Employer's unfair and unrealistic use of paid vacation time as a major benefit for bargaining unit employees which offsets meager longevity or paramedic stipends when overall compensation is calculated should be rejected by the Arbitrator.

The Union insists that the cost of living for the applicable time period (May 1, 1988 to April 30, 1989) under the Metropolitan Chicago CPI-U has exceeded 5%. In fact, the cost of living for the entire time since bargaining unit members have received the last pay increase is actually over 5.2%. The cost of living obviously most nearly comports with the Union's final offer; since this is a discrete and crucial standard under Section 14(h), it must be given great weight in the Arbitrator's decision as to the overall merits of the two final offers, urges the Union.

Finally, the Union contends that the Village is able to pay the additional cost associated with its proposal. Management never really made an "inability to pay" argument.

(ii) The Employer

The Village contends that the increase proposed by it is clearly more reasonable than the Union's and should be accepted by the Arbitrator. First, external comparability data support acceptance of the Village's final salary offer, as Management sees it. As the Village asserted during negotiations, since it was relatively competitive in terms of minimum firefighter salaries, providing a somewhat lower salary increase to lower steps of the salary schedule in order to free up dollars to provide for a greater salary increase at Steps F and F+ does not significantly affect the Village's relative position with respect to minimum firefighter salaries. SKokie would place fourth out of the comparable jurisdictions for which minimum salary

information was available, Management stressed, a move down of only one notch in terms of the minimum salary. As for the maximum firefighter salary comparisons, the effect during calendar year 1989, based on the Village's final offer, would put Skokie in the number one position as compared to the other ten comparable jurisdictions for which maximum salary information is available. That is of crucial importance in the assessment of whose final offer should be chosen for adoption by the Arbitrator.

The Village also argues that its final salary proposal will result in the Employer's relative position in terms of the all important maximum salary comparison being also improved over Skokie's position vis-a-vis the other comparable jurisdictions when the parties last reached agreement on the maximum salary. That fact surely demonstrates that the Village's final salary offer is the most reasonable of the two final offers, it concludes.

The Employer also stresses that internal equity considerations support acceptance of the Village's final salary offer. The primary internal point of reference, of course, is the FOP contract and the police officers, the Village acknowledges. The Employer insists that it should not be forced to give a larger pay increase to the firefighters than was granted in arms-length negotiations with the FOP bargaining unit. Further, it also urges that the concept of parity requires that firefighters should not achieve a higher annual salary at the maximum salary level, or overall, from the police officers. A salary increase

would constitute a breaking of long-standing parity with the police, and would inevitably lead to the police in turn demanding comparable or even greater increases when that current collective bargaining agreement is up, stresses the Village. Moreover, the Village discounts the fact of slightly larger percentage salary adjustments for the police over fire during the 1988-89 fiscal year, since the police did not receive any additional paid time off or stipends, whereas the firefighters received one additional Kelly day effective January 1, 1989, and an increase in the paramedics stipend from \$600 to \$1,000, effective May 1, 1988. These increases in benefits more than offset the base salary percentage increase disparity which at first blush seems to favor the police.

The Village also disputes that the cost of living data favors the Union proposal. To Management, the Village's final salary proposal will result in all firefighters receiving annualized increases in their base salaries of at least 5.25% above the salaries that were in effect prior to May 1, 1989, if step increases -- obviously a cost to the Employer and money in the pocket to firefighters who get step movement -- are considered. Since all firefighters below Step F will receive a step increase, all firefighters below that step will have their annual salary during the fiscal year in question increase by at least 5.25%, if not by the "pure wage" increase, then by the total increase paid.

The Employer also discounts the Union claim that cost of living favors the IAFF final offer. If the May 1, 1988 through

April 30, 1989, reference point is used as the base period for the cost of living purposes, the applicable standard for the Chicago metropolitan area increased 5.6% during that period, the Employer acknowledges. However, since the EMT-P stipend for firefighters will increase by nearly 2/10ths of one percentage point, based on the Village final offer with respect to that item, the average base compensation for employees involved in this proceeding will increase during the one year in question by a minimum of 5.45%, including step movement. This amount is much closer to the 5.6% increase than the minimum increase of 6.15% (5.95% + .20%) if the Union's final salary offer is selected for both these items.

Moreover, argues Management, two key components in the increase in the CPI-U index are hospitalization and major medical insurance coverage and clothing costs. The Village is, in fact, picking up the bulk of the increase in benefit cost for these two items, it argues, since it is liable for 88% of the increase in the cost of medical benefits. Also, the uniforms and equipment costs are paid by the Village for firefighters, pursuant to the current agreement. These costs are crucial to cost of living and will not go up for these firefighters.

Therefore, Management argues that the 5.6% increase in cost of living since May 1, 1988 until April 30, 1989 need not be directly translated into a salary increase, if the Arbitrator believes the factor crucial, since two major items in the inflationary push are virtually taken care of by other

contractual provisions for the base year in question and the Village offer is 5.45%. 3/

The Village further contends that while it is not, in a strict sense, financially unable to pay the Union's proposal, it is the obligation of the Village to choose among competing demands for limited financial resources. It suggests that serious financial strains would result and impact negatively on other Village services in the event a higher pay increase would be awarded by me.

Pointing out that, among the criteria often used in interest arbitration cases to determine salaries is the relative ease or difficulty in attracting qualified applicants, as well as the turnover rate among employees involved, the Village stresses that it is evident that it is currently quite successful in attracting and keeping qualified applicants. In fact, the Village emphasizes that there is virtually a non-existent voluntary turnover rate for this bargaining unit.

3/ The Village also contends that a base year of May 1, 1989 to April 1, 1990 might be a better point of comparison. While that data for the Chicago metropolitan area is obviously not available for that entire period of time, using the first six months of the period and projecting the same through the 12 month period, the CPI-U for the Chicago metropolitan area would be only approximately 4.5%, Management avers. This most recent CPI data obviously discloses that Management's offer as to wages is by far the most reasonable of the two final salary offers, it then argues.

The Village also stresses that the Union's proposed increase would not be in the public interest, especially since median first year wage settlements for all industries for the first 38 weeks of 1989 is 3.5% and state and local government collective bargaining settlements during the first six months of 1989 was 4.7%, according to the submitted data. In fact, for the protective services, the average first year wage adjustments for the first six months of 1989 for local governments were only 2.8%. Given the competing justifiable budget requests which were not funded because of the Village's limited resources, and the resultant use of priorities to eliminate projects of genuine merit in framing the Village budget, the public interest demands an acceptance of the wage offer presented by the Village. All resources should not go to wages for police and fire.

Also militating against acceptance of the Union's offer is the fact that the reasons advanced by the Union do not stand muster, Management insists. For example, there is no probative evidence to support the Union's contention that there has been a substantial increase in the overall quantity or quality of work for firefighters since the parties first contract was signed in February, 1988. The fact that firefighters are on duty more hours per week than other Village employees is also not a relevant consideration, the Employer asserted. Firefighters traditionally and customarily work 24-hours on duty and 48-hours off duty, after all. Village exhibits 12 and 13 show that in all of the comparable jurisdictions except Elk Grove Village, police

are paid more than firefighters, despite the 24-hour shift requirement.

With reference to the Union claim that the average top step police officer is indeed receiving more money than the highest paid firefighter and that parity between the two public protection services has been destroyed by the second FOP contract, I am reminded that police officers generally received an average of \$1,258 more than the average top step firefighter during the 1989-90 fiscal year for comparable jurisdictions. (Er. Ex. 13). However, if the Skokie firefighters' salary is compared to its police, especially when the greater benefits, including Kelly days and EMT-P stipend are computed, no such disparity exists in the Village.

Finally, it is plain from the evidence presented that firefighters resist working a straight 8-hour shift, as is required in the fire prevention bureau and demand to return to the customary 24-hour duty assignment sufficiently often so that lieutenants assigned to the fire prevention bureau are, under the current contract, provided a somewhat higher annual salary than the fire lieutenants who work 24-hour shifts. This rebuts the Union claim that the greater number of hours worked by firefighters justifies a demand for higher pay than police officers or a greater salary increase than has been substantiated on the basis of all other statutory criteria.

Based on the foregoing, the Employer argues that its final offer should be adopted.

C. Application of the Statutory Criteria to the Wage Increase Issue

As noted earlier, the Illinois Public Labor Relations act sets forth eight criteria which form the standards to be used by an interest arbitrator in determining which final offer is to be adopted as most reasonable and appropriate. In this case, the first two - "the lawful authority of the employer" and "stipulations of the parties" - are not applicable here, or at least they are not at issue. There is no dispute as to the Village having the authority to pay employees and the further authority to set their wages, including increases, within the constraints of applicable statutes and collective bargaining agreements. Likewise, there are no stipulations by the parties relevant to the question of determining the appropriate pay for bargaining unit members. Insofar as the seventh factor - e.g., changes in circumstances - is concerned, the parties have not offered any evidence regarding this criterion. Thus, this standard is inapplicable here, also.

The remaining criteria do come into play.

1. Comparisons with other municipalities.

The act instructs me to take into account the wages, hours and conditions of employment of other firefighters, as well as other employees generally in (A) public employment in comparable communities, and in (B) private employment in comparable communities. My analysis is as follows.

(a) Private employment. The parties presented no argument or evidence regarding the salaries of employees in private

employment in other communities. Accordingly, there being nothing for this Arbitrator to address regarding this issue, I find the standard to have been deemed not applicable by the parties.

(b) Firefighters in other municipalities. As I have noted in City of DeKalb, ISLRB No. S-MA-86-26, Arb. No. 87/127 (June 9, 1988) I recognize that, as in most cases involving interest arbitration, external and internal comparability plays a special role in this dispute. In fact, many commentators have indicated that external comparability, at least, is indeed the most important factor in the usual interest arbitration case. I agree with that generalization, although it obviously does not always resolve the specific dispute. The particular facts must always be reviewed, in the appropriate context.

Accurate comparabilities are, however, the traditional yardstick for looking at what others are getting and that in turn is of crucial significance in determining the reasonableness of each parties' respective final offers in this case. I also recognize that "heavy reliance placed upon the comparability factor has been criticized by both unions and employers. Labor organizations complain that the use of this standard has a conservative effect by encouraging the rejection of new and innovative language ... Employer critics of the comparability criterion suggest that it has led to a 'domino effect' of victory for unions." Laner & Manning "Interest Arbitration: A New Terminal Impasse Resolution Procedure for Illinois Public Sector Employees," 60 Chicago-Kent L. Rev. 839, 858 (1984).

Nevertheless, comparability "clearly is the most important factor to arbitrators." Ibid. at 856. Therefore, the great lengths and detail in the recitation of the parties' numerous arguments on comparability.

Factors considered significant in determining comparability are geographic proximity, occupational similarity, employer similarity, and the comparisons the parties have used in past negotiations. As I have noted above, in this case, the parties have stipulated to 16 (sometimes 17) comparable jurisdictions that the parties have used in the prior negotiations and that the Village has used in past negotiations with the FOP. That makes the job much easier of assessing the comparables.

Three factors, however, distinguish in rather crucial ways the differing interpretations placed on the "hard copy documentation" by the Village and the Union. First, the Employer uses the base pay rate, particularly at the highest level step (in Skokie, F+) as the primary point of comparison. The Village argues that its final salary proposal will result in the Village's relative position in terms of the "all important maximum salary" being improved and also emphasizes Skokie's position in relation to the other, comparable jurisdictions when the parties last reached agreement on the maximum salary. In fact, using the maximum salary range as the crucial point for comparison, the Employer insists that Skokie would be in the number one position in relationship to the other ten comparable

jurisdictions for which maximum salary information was available at the time of hearing if I adopt its final offer. 4/

The starting point for the Union's analysis of comparables, on the other hand, is that the statutory standard requires total overall compensation to be used as the basis for comparison. The Union argues that overall compensation, including direct wage compensation, vacations, holidays and other excuse time, insurance pensions, medical and hospitalization benefits, and all other benefits received are what is to be considered by the Arbitrator under Section 14(h)(6), and that standard "relates back" to Section 14(h)4.

In the context of overall external comparability, I agree that Skokie is certainly not number one among the comparables. Union Exhibit 12, for example, demonstrates that when base salary, 20 year longevity rate, paramedic pay supplements and supplements including holiday pay, engineering pay, and acting out pay are used as a comparison point, the result, as the Union urges, is the Village being ranked as 8th among the 16 comparable

4/ While conceding there are five jurisdictions for which information was not available at the time of the interest arbitration, Management insists that a comparison of the 1987 data with the 1989 data strongly suggests that, with the possible exception of Northbrook, Skokie's top position will not be changed as a result of negotiations in these other five comparable jurisdictions. Indeed, Management stressed that the Village will definitely move ahead of Elk Grove Village, the only comparable jurisdiction that paid a higher maximum salary in 1987, when only the maximum base salary is used for comparison. (See Er. Exs. 6-9).

jurisdictions used on that exhibit. When the Employer's entire pay package is used as the point of reference, the clearly lower longevity pay and paramedic supplement pull down the rank substantially from the number one rank claimed by the Employer when maximum base salary is the exclusive point of comparison, as, e.g., in Employer Exhibit 9. See also Village Exhibit 7. The rank of number 8 out of 16 posited by the Union, when overall compensation is used, rather than a "pure = base salary" comparison, results in the further reduction to 9th to account for the bargaining unit employees' contribution to health insurance payments, since Skokie firefighters are required to pay \$551 per year for group health insurance. See Un. Ex. 52.

More significantly, Union Exhibit 12 which includes both minimum and maximum pay level comparison, using the total compensation method, ranks the Skokie Village total package as 12th among the 16 comparable jurisdictions, whether or not the health insurance cost is factored in. The minimum "pure" firefighter salary that would be in effect during calendar year 1989 proposed by the Employer, 26,550, would place Skokie 4th in the comparable jurisdictions for which minimum salary information was available (Er. Ex. 6). Reducing that salary by the hospitalization contribution, the Union argues, would move the Village to the 6th rank, between Glenview and Niles. Thus, relying on the Employer's exhibits, the Union reduces the rank at the minimum pay level, referencing exclusively just base pay rates, to 6th out of 11 comparables.

By adding in what it believes to be the other applicable components of overall compensation, the Union finds the evidence presented as to maximum and minimum levels in the Employer's exhibits 9 and 6, which Management argues put Skokie 4th among the comparables, inaccurate. The Union determines that Skokie is actually in the bottom half of the comparable towns.

Equally sharp distinctions emerge when the proposed percentage-increases are compared. Management presented Employer Exhibit 10 to show the percentage increases in annual salaries for all employees in the bargaining unit. In these computations, not just the two competing salary proposals are considered by the Employer, however. The step increases for employees at steps A-F are also considered in determining percentage increases. However, the Union notes that more than half of the employees are at maximum salary and will not receive step increases. Moreover, the Union contends that employees in other towns also receive step increases, and argues that absolutely no comparable data as to the impact of such step increases are offered for those other towns.

Last, the Union in its analysis emphasized that comparisons should be made on the basis of what it calls "dollars in the pocket" during the 1989-90 fiscal year. The Employer, on the other hand, annualized the comparative percentage increases and also used the maximum salary rate at the end of the year as at November 1, 1989, in the two salary proposals before me. When negotiations commence for a successor contract, the Village insists that base would be the floor for all future discussions.

The Union's figure is obviously lower, since the employees only have use of any November, 1989 increase in pay for only six months.

Ultimately, it makes sense to use both frames of reference in attempting to form an assessment of Skokie's position among its comparables. It is plain, for example, that the Village does rank number one under its final offer at the comparison point of maximum base salary as at November 1, 1989, when the final pay increase of 1.75% at the F+ level and for all lieutenants is in effect. Using the same time, November 1, as a reference point, the minimum firefighter base salary that would be in effect would be 26,550 which places Skokie 4th out of the comparable jurisdiction for which minimum salary information was apparently available. (Vill. Ex. 6). Those rankings strongly support Management's position in this case as to the reasonableness of its final proposal.

Moreover, I do not agree with the Union's posture that the only numbers to count when annual salary is considered are dollars in the pocket. Certainly, that is one way to look at it. As the Employer correctly asserts, however, the annual salary rate, whether at the maximum, the minimum, or at all steps between, becomes the floor for the next round of negotiations, which in this case will begin almost with the issuance of this Award.

Therefore, to the extent that the Union has reworked the numbers to reflect only dollars in the pocket, I reject the resulting analysis as unduly depressing the rank of Skokie among

the comparables, although I note that if the data actually consistently compared is "applies to apples," the depression would be minimized. There is no doubt that the percentage of increase among the contracts in effect among the comparables, over time and especially in the fiscal year prior to the reopener, would be artificially inflated by the Union's methodology if all comparables are not translated to dollars in the pocket.

Based on the foregoing, I find that the Employer is correct that it is in the top third of the comparables, with reference to maximum and minimum base firefighters' salaries based on its final offer. This in turn supports the position asserted by Management both in negotiations and before me that it is relatively competitive in terms of minimum base rate salaries, and that it stands at the top at the highest level of base firefighter compensation.

However, I also stress the fact that I believe the Employer's claim is wrong that its step increases can be fairly added to the general salary increase at the lower levels of compensation for purposes of its final proposal and a comparison to external comparables. Simply put, I suppose it would be possible to ascertain all step levels in all the contracts placed into the record on the "hard documentation" Exhibits. The problem, though, is as the Union suggests. There is no way to tell from the contracts themselves the "mix" of employees at the various steps in the other jurisdictions. Without that data, there is simply no way to tell how the steps "play out" among the

other 16 jurisdictions. No attempt to correlate the costs of the steps was made by the parties. Without those comparisons, at minimum, we do not know the impact of the step grid on each jurisdiction.

Accordingly, I find the calculation of step increases to up the rate of increase for employees at other than the "F" or "F+" levels and lieutenants, so as to justify a claim that even "A" employees will receive a 5.2% increase for fiscal year 1989-90 under the Village's offer, is an unfair reworking of the numbers. I reject Management's comparison as to rate of increase based on the Employer's offer using those figures as a point of comparison.

As I indicated in the DeKalb decision, I am by no means convinced that a single year comparison of percentage raises or cost of raises granted should be determinative in resolving interest arbitration disputes. The critical factors of comparison are the base and overall compensation among the comparables, since we do not know which other jurisdictions are playing "catch up" or other variables which might affect the size of a pay increase.

The problem is that each respective party has emphasized that aspect of comparability favorable to its offer. Both base and overall compensation may be looked at as part of the comparison analysis, as I noted above. Indeed, although the Union stresses overall compensation as mandated by Section 14(h) (6), that standard relates to an assessment of the compensation of the bargaining unit, not to a comparison pursuant

to Section 14(h)(4), the comparability standard. However, the Employer in fact in essence admitted the importance of overall compensation to comparability when in its internal comparison with the FOP bargaining unit, it factored in all aspects of compensation, including the paramedic stipend and paid time off obtained by the firefighters to counter the higher percentage base pay increase obtained by the FOP bargaining unit in fiscal 1988-89. A fair comparison of the two salary proposals must include both an analysis of base pay comparability and of overall compensation, as noted above. Therefore, I find relevant both Management and Union arguments in arriving at accurate comparability, and will discuss overall compensation comparability.

I find that when these computations are assessed, the Union's contention that Skokie is in the bottom third of the ranking is accurate, including the \$551 health insurance cost paid out by each firefighter.

I suppose that it might fairly be considered from many respects that the crucial external comparison standard is, in this case, a virtual wash. Each final proposal has in its favor substantial plusses and deficits, depending on the determination of whether the point of reference to which the computations of comparisons are directed is annual rate of base salary or total compensation. Ultimately, I believe the "external comparables" must favor the Employer in this instance. This is so, because the Union offer of 5.95% increase in salary in the 1989-90 fiscal year is predicated in the low rank of total compensation, yet that ranking is primarily the result of relatively low longevity pay

and the lowest paramedic pay supplement of the comparables. Yet the Union also includes in its final proposal substantial increases on both those fronts as separate offers. To some extent, this is asking for redress twice. Although each issue is to be considered separately, as certainly the Village reminds me, realistically I must also review all four issues as part of the same economic package.

Therefore, I conclude that to factor in the low relative rank of longevity and EMT-P pay as part of the general salary compensation increase proposal, and make the same comparisons twice more when the longevity program and EMT-P stipends are reviewed, unduly emphasizes these two forms of compensation and overly depresses Skokie's overall rank, just as Management asserts. It essentially "double counts" these components. Additionally, the overall compensation actually paid to the firefighters by the Village, with the longevity pay and EMT-P stipend excluded from consideration, is not so paltry as to justify the 5.95% increase for just one year, when the overall rankings are reviewed. Management's offer is therefore most reasonable and I would adopt it if this was the only factor to be considered.

Ultimately, on the basis of my examination of comparable jurisdictions, I find that this traditional yardstick of looking at what others are getting is not clearly dispositive of this specific dispute. Neither Union nor Village salary proposal is outside the zone of reasonableness. However, since the four economic issues are to be resolved separately, and the Union has

really weighed the entire package to achieve its comparability advantage, it is my determination that the Employer's base salary schedule proposal purely on the matter of ranking would win, if external comparability were the only factor involved. I appreciate the closeness of this analysis. I view external comparability in this case as almost a wash. I find that some Village deficiencies support the Union's demand for a 5.95% increase across the board, rather than the weighted increase offer of the Village. I find some plusses in Management's compensation package do not support the Union, including the most important factor of the comparison of the annual rates for firefighter base salaries, up and down the scale, but especially at the top end, where Skokie stands at the very top of the comparative ranking.

My ultimate finding is that the total compensation package is not so paltry (especially putting aside longevity and EMT-P pay) as to justify a 5.95% pay increase for one fiscal year, if all other factors were equal. They are not, however, ever apart from the problem of the appropriateness of combining three other issues, EMT-P stipend, longevity, and retroactivity issue, to get the slippage of rank. I believe the facts of this case result in a conclusion that the other statutory factors must have greater weight than external comparability. I so find.

D. Internal Comparability

As I understand the Village's argument, central to its position that the total cost of its salary offer (4.11%) is a

more reasonable wage increase is its further contention that its final offers on all four issues are very much designed to maintain appropriate salary relationships among both represented and unrepresented village employees, especially the two unionized departments, police and fire. In fact, the Employer takes the clear position that "perhaps the most important salary relationship is between police and firefighters." According to the evidence presented by Management, in both the 1987-88 and 1988-89 fiscal years, firefighters received an additional benefit over and beyond what was agreed to in the negotiations with the FOP, i.e., an additional paid time off in the form of an additional Kelly day effective January 1, 1988, and another Kelly day as of January 1, 1989.

During the 1988-89 fiscal year, firefighters received a higher percentage adjustment effective May 1, 1988 (4.4%) than police officers did (4.25%), but police officers received an additional 1.1% effective November 1, 1988, the record evidence discloses.

To Management, the additional amount that the police received in 1988-89 was to meet the FOP's concern that the firefighters had negotiated an increase in the EMT-P stipend and had received the two additional Kelly days, additional paid time off which has a dollar value, as well as to address the fact that the police officer unit believed slippage had occurred in terms of its own position among comparable jurisdictions. Therefore, the FOP had contended that an additional salary increase was needed for police in order to put those employees "in the middle of the pack" in wage comparisons.

The IAFF Union, on the other hand, on the issue of internal comparables, emphasized that rough parity between police and fire was perhaps the norm prior to fiscal year 1988-89, when the police officers received the extra 1.1% increase effective November 1, 1988. According to the Union, the relevant historical wage position of parity between the two represented bargaining units is now a thing of the past. Based on the foregoing figures showing a greater raise to police in 1988-89, parity as the touchstone of internal comparability is in reality no longer a relevant consideration.

The Union and the Employer have both presented substantial data comparing the various terms and conditions of the collective bargaining agreements between Skokie and this Union and the FOP local. The Employer strenuously argues that the degree of disparity between these collective bargaining groups is not as great as the Union would have the Arbitrator believe, and certainly does not justify acceptance of the current wage proposal presented by the Union. The Union counters that "slippage" between the two bargaining units has occurred and that the pay advantage for police has widened. Therefore, the wage package presented as the IAFF final offer is justified.

To the Employer, overall compensation has traditionally included factoring in both direct wages and fringe benefits, including holidays, paid and unpaid vacation, including "Kelly days" and the paramedics stipend, for which there is no police officer equivalent. Thus, while arguing on external comparability that overall compensation is not the standard,

but only the base pay schedule may be referenced, the Employer presents precisely the opposite contention as to internal comparability, apparently relying on the language of Section 14(h)(6) as permitting a comparison based on overall compensation in this instance, and a relation back to 14(h)4 of the Act.

In making my analysis of internal comparability, I turn primarily to the crucial claim of the Employer that a prime consideration in assessing the reasonableness of the overall package is that "the same essential balance that was established between police and fire salaries in prior negotiations" must be met by the various proposals in the instant case.

First, I find Management's position, also basic to at least the longevity pay and retroactivity proposals, is indeed acceptable and a common approach taken by employers who are concerned with "whipsawing" by the two organized bargaining units. It makes sense.

Second, I do not need to decide the troublesome issue of the appropriateness of "parity" between police and fire in this specific dispute. Management has convinced me that the greater FOP increase in the rate of base annual salary in fiscal 1988-89 was caused at least in part by the prior increases in benefits for firefighters, including the two additional Kelly days and the raise in the paramedic stipend.

I find on that basis, including EMT-P stipend and extra time off, that the police bargaining unit and firefighter bargaining unit still stood in a roughly comparable position prior to the May 1, 1989 FOP pay increase. Effective May 1, 1989, the FOP

unit received a 3.5% increase. Effective November 1, 1989, it also received a 1.25% increase. The Village's final offer to the IAFF in this case would result in across-the-board salary increases for firefighters ranging from 2% at the lowest steps of the salary schedule to 5.25% for all lieutenants, and all firefighters who are at steps F or F+, as well as a 15% increase in the paramedic stipend. The total compensation package, as the Employer asserts, maintains the "essential symmetry" between the two employee bargaining groups. Internal comparability weighs with the Employer.

Because the evidence has convinced me that there is currently an essential balance between police and fire salaries, and that the non-bargaining unit employees are really not a factor in the equation, I find internal comparability favors the reasonableness and adoption of the Employer's salary offer.

E. Cost-of-Living

The May 1, 1988 through April 30, 1989 period CPI-U for the Chicago metropolitan area increased 5.6%, both parties acknowledge. That same index from August, 1988 to August, 1989 revealed a 5.2% increase. As I noted in City of DeKalb, supra, one appropriate and the most common way to look at CPI data in terms of negotiations and interest arbitration is to use the year since the parties last negotiated over wages. These figures are geared to present a picture of what happened since the last pay raise for which the parties bargained and agreed. I believe the CIP-U for May 1, 1988 through April 30, 1989, is more useful than

figures which purport to show the increases or projected increases in the CPI for the period of time to be covered by this Award. Prospects of cost-of-living increases, which Management asserts from data from only the first six months of the 1989-90 fiscal year, the time when figures are currently available, seem to show that inflation has been low in recent months. Therefore, the Employer asserts that its final offer is more in line with these drastically reduced cost-of-living projections. I find that the actual increases for the remaining months of the 1989-90 contract year necessarily remain unknown at this time and cannot be known "for a fact." I reject their use here.

The CPI figures from May 1, 1988 to April 30, 1989 are much closer to the Union annualized 5.95% salary offer than the Employer's proposal, unless the Village's contention that the annualized increases in base salaries for all firefighters including all step increases would go up by at least 5.25% under its final proposal.

As noted, I reject the inclusion of the step increases previously negotiated as an item to be fairly considered to be part of this current Management salary proposal. Step increases are obviously cost items. However, the annualized step increases in salary will take place only if a particular firefighter on the low end of pay has satisfactorily performed; that is not automatically guaranteed for step increases.

At any rate, as the Union stressed, more than one-half of the bargaining unit is already at maximum salary level. For those individuals, the pay increase for fiscal year 1989-90 would

be 5.25%, and the cost of living increase from May 1, 1988 to April 30, 1989 had already risen 5.6%. As noted, the increase in compensation paid to the Skokie firefighters has not kept pace with the increase in the cost-of-living during the period May 1, 1988 through April 30, 1989. While the cost-of-living rose by 5.6%, salary increases amounted to only 4.4%. The 5.95% increase which the Union demands may well make up the ground which the firefighters lost in the last contract year. Management's offer, on the other hand, only keeps up with the cost-of-living on the low end of the compensation schedule if the step increases are computed along with the general salary increase. Even then, there is a further small slippage (5.45% average base compensation increase vs. 5.6%) if the increase in the EMT-P stipend under the Village's offer is also factored in. Yet only 38 of the firefighters are also paramedics; these do tend to be the least senior employees, since 36 out of the 38 do not have over twelve years' seniority. However, the majority of the paramedics are at the F+ pay rate, though.

The Employer has also asserted that the cost-of-living difference is further diminished by the greater percentage of contribution for any increase in hospitalization and health care shouldered by the Village, since it pays 88% of all health care costs, while the firefighters contributes only 12%. Also, the provision for uniforms at no charge offsets increases in clothing costs, Management submits.

The Union counters that health care costs escalate for both firefighters and the Village; that the EMT-P stipend and

increases from extra compensation from step increases should not be computed in this comparison; and that housing costs, including a reworking of the numbers to reflect a constant for for rental, rather than investment growth, when an employee owns his home, has been built into the CPI since 1986. The increased cost in housing has been the largest single cost increase influencing the inflation in the CPI, the Union submits. Those cost increases are not offset or aided by any provision in the contract, the Union asserts. Therefore, it is clear that the firefighters are playing "catch-up" for the short fall in salary increases in 1988-1989 and the Union proposal on the basis of the cost-of-living criterion is the more appropriate one.

After careful consideration, I believe the cost-of-living criterion strongly supports the Union's position. As I noted in the discussion of external comparables, if base salary rates are to be used for a comparison, those comparisons of base annual salary rates for the overall salary increase should be made for all the factors, except a comparison of internal comparables, i.e., police and fire, where the base rate is simply insufficient to permit a fair computation of the relationship of the ranking when work hours and other direct and indirect compensation costs are so different. Based on a comparison of the base rates of compensation, I find that the Union's offer of a 5.95% annualized increase when the cost-of-living figures were at 5.6% strongly supports the Union's final offer, based on the cost-of-living criterion.

Therefore, I find that, in this instance, cost of living increases are most clearly in line with the Union offer and favors its acceptance.

F. Other Factors

Section 14(h) (8) of the Act provides that I am empowered to consider factors "traditionally taken into consideration" in the determination of wages, hours and conditions of employment through voluntary collective bargaining. In this case, these other factors are quite significant, and include consideration of claims by the Union of substantially increased productivity and also the fact that Management for the first time chose to present not an across-the-board increase in the base rate of pay, but instead a salary proposal weighted at the top, that is, where the primary pay increases are received by firefighters at the F and F+ levels. 5/ These factors will now be considered.

5/ Both Union and Employer argued ability to pay as a factor. Since there is no "inability to pay issue, and the City acknowledges that it can afford the additional amount attributable to either offer, I find ability to pay is not a controlling factor. As I discussed in City of DeKalb, supra, the claim of strains caused by reallocation of budgeted resources is essentially a political issue. It is not before me. Accordingly, the Employer's admitted ability to pay the wage increase proposal by the Union is considered only in terms of a "zone of reasonableness" established through a review of salary data in comparable communities. Such a review discloses that both offers fall within that zone.

1. Productivity

The firefighters, the Union and the Village are proud of the Fire Department's ISO Class 2 rating. Obviously, the Department maintains high standards, and Union local president Oscarson testified that there have been increased duties and responsibilities to achieve this esteemed status.

However, I agree with the Employer that there is simply no evidence in the record to support the Union's contention that there has been any overall increase in the quantity of work expected of firefighters over and beyond what was expected prior to the time that the parties signed their first collective bargaining agreement. Thus, the record in this case stands in sharp contrast to the facts relied upon by me in the City of DeKalb, supra. There, I found, based on a reduction in the level of staffing and an "expanded work schedule", that there had, in fact, been a substantial increase in "the efforts and productivity of bargaining unit employees."

In the instant case, however, the preponderance of the evidence does not support the Union claim that there has been any such increase. For example, while two positions not being filled at the Fire Department during the 1990 fiscal year, there is no evidence in the record that the normal staffing levels have been reduced or that bargaining unit firefighters are doing more now than they were in February, 1987. While there has been about a 6% increase in "emergency calls" between 1987 and 1988, the

entire increase is with respect to emergency medical service calls. In fact, the number of fire calls decreased from 2,014 in 1987 to 1,979 in 1988. Er. Ex. 39. To the extent that this has any relevance at all, it would be with respect to the EMT-P stipend. In this regard, however, it must be remembered that while the number of EMS calls has increased, the number of paramedics employed by the Village has doubled between 1983 and 1989.

As to the three items mentioned by the Union's attorney in his opening statement concerning increased productivity, that is, training, smoke detectors, and monitoring commercial establishments, Union President Oscarson's testimony did not support these claims, as I read the evidence. With respect to training, for example, he conceded that the 20 hours of training a month has been the same both before and after the current labor contract. As for commercial inspections, Oscarson testified that the memorandum dated February 11, 1988, is just a 1988 version of a similar memorandum that had been issued in prior years. As for when the commercial inspections are done, Union witness Oscarson conceded that they are normally done between 9:00 a.m. and 5:00 p.m. on weekdays and that he could not personally ever recall doing a commercial inspection on a weekend or a holiday.

As for smoke detectors, Union President Oscarson testified that the only change since this labor contract was signed was to supply batteries if a smoke detector needed batteries. Oscarson also acknowledged that "most of them were operable" and he admitted "but I don't think I personally have replaced a battery yet."

Based on the actual facts adduced, I conclude that the Union claim of increased productivity as a factor supporting its salary proposal must be rejected. I find that productivity increases do not justify a higher salary rate of increase. The Union's final offer is not the more appropriate proposal, geared to the standard of reasonableness, when productivity is isolated, under the facts actually proved. I so find.

2. Salary Schedule: Change From Across-The-Board To Weighted Increases

A primary distinction between the two salary proposals is the fact that the Village's final offer in this case will result in across-the-board salary increases for firefighters ranging from 2% at the lowest steps of the salary schedule, to 5.25% for all lieutenants, and all firefighters who are at Step F+. The Village stresses that the purpose of its final offer, as had been previously stated in negotiations, was to "provide greater increases at the top steps, especially at Steps F and F+." That desire, in turn, was the Employer's attempt to respond to the Union's effort to negotiate higher maximum salaries through a substantial increase in longevity pay for firefighters with longer service, a proposal the Village strongly resists. The Employer suggests a balance between competing legitimate concerns and interests suggests such a weighted increase at the top end of the scale without upsetting the long-standing longevity pay plan.

The Employer postulates that "it is difficult to see how the Union can legitimately object when the Village first proposed

in negotiations and subsequently in its final salary offer an approach which was designed to meet this concern." Obviously, to Management, the demand for higher maximum compensation, which the Village believes is the thrust of substantially all the documentation submitted by the Union during the interest arbitration, was addressed by the change in the apportionment of the salary increase resources from across the board to putting the bulk of the salary increase at the top end.

As the Employer reminded me, I recognized in City of DeKalb, supra, that "[I] interest arbitration ... using the final offer approach, is designed to merely maintain the status quo and keep the parties in an equitable and fair relationship, according to the statutory criteria." Accordingly, as I further observed in that decision, "going beyond negotiations to 'catch up' or give either party a 'breakthrough' is contrary to the statutory scheme and undercuts the parties' own efforts, in rather direct contravention of the collective bargaining and negotiation process itself."

The Employer also called to my attention the able discourse by Arbitrator Herbert Berman in Village of Lombard, ISLRB No. S-MA-87-73 (January, 1988), a case similar to the current dispute because it involved unresolved compensation issues with respect to a wage reopener for the final year of a collective bargaining agreement and also a change in the structure of compensation from a seven to a six step grid, if the Union's offer were accepted. Berman discussed the proposed change in the salary schedule as a crucial consideration among "other factors ... normally or

traditionally taken into consideration ..." which required adoption of the Employer's final offer.

Arbitrator Berman reasoned:

"I am constrained to agree with the Employer that a wage structure is 'particularly susceptible for resolution through collective bargaining,' and that the current salary schedule, the product of recent negotiations, 'should not be lightly or prematurely discarded' (Emp. Brief, 31). Without 'compelling evidence' (Emp. Brief, 31), it is inappropriate for an arbitrator to disturb a wage structure the parties have agreed to in negotiations concluded within the year. The Union, newly certified under the law, had its hands full in negotiating an initial contract and in trying to correct what its membership considered substantial inequities. But inequities, real or perceived, exist in every bargaining relationship. ... I must assume that the contract expressed the parties' mutual understanding. Without a compelling reason to modify a just-negotiated salary schedule it is best to permit the parties themselves to work out a new schedule. The Union did not advance, nor did the record establish, any compelling, objective basis for modifying the parties' recent decision to establish a 7-step salary schedule." Id. at pp. 22-23.

By parity of reasoning, the Employer suggests that I should not grant a "breakthrough" with regard to the longevity pay issue, which will be discussed later. It does not, apparently, consider that its own demand that the salary increase under discussion be weighted at the maximum compensation level to be a new pattern or philosophy of how compensation is to be provided, and, as such, is an extreme, substantial change in the status quo.

In the years I have been involved in labor relations, I have become familiar with numerous methods of granting salary increases, especially in the public sector, where pay grids are common. Indeed, in the public sector, it is extremely important to the parties to develop a comprehensive pay plan, which

balances the competing concerns of productivity and merit and seniority. There are at least a dozen or more standard kinds of pay structures dealing with public employees, including plans that reflect steps and levels, as the current Skokie Fire Department payment plan does. Some employers and unions even agree in negotiations on what are effectively "gimmicks," such as having "phantom base" starting salaries where it has become impossible to attract qualified applicants at the agreed-upon lower base starting salary.

The balance between legitimate competing concerns over compensation cannot be struck in isolation. Parties demand full and complete bargaining over any change in structure, including inclusion of merit steps, movement from one step to another on a progression ladder, and from one level to the next where applicable. Where Arbitrator Berman found, for example, that the salary schedule negotiations regarding a step system, especially definition of steps and the establishment of the average years to maximum step, had occurred at the inception of an initial contract between the parties, and once again was sought to be renegotiated in a reopener through the compression of those very steps, he rejected the Union proposal as too drastic a change to be achieved in interest arbitration. He found step compression so crucial that those changes must and should be left to direct, arms-length bargaining between employer and union, in his view. Structural tinkering should not be done in a reopener.

Is the Management proposal to change the across-the-board payment structure which clearly has been in effect at least since

the FOP and firefighters unions began bargaining, to a weighted approach, with maximum percentage increases at the highest salary level, a similarly substantial structural change or modification in the status quo that it should be left to the bargaining table? After careful consideration, I believe that the proposal to maximize compensation at the highest level by reducing the percentage increase at lower levels of compensation is an extremely important and substantial change in the essential philosophy of allocation of compensation, and similarly should be left to the parties to deal with in direct bargaining. That factor deserves further attention.

It is to be remembered that Management itself agreed that the design of its salary offer was predicated on the Union's demand for salary and compensation adjustment for firefighters at the maximum salary levels. That certainly was the genesis of the Union's demand for a substantial increase in longevity pay. Since the Employer strongly desired to maintain its uniform policy of maintaining the longevity pay at its current levels in both the police and firefighter bargaining units, it and it alone determined to address the overall Union concern by providing greater increases at the top steps, especially at Steps F and F+. That, like a compression in the time needed to achieve a maximum salary step in Village of Lombard, supra, is, in my view, a basic change having impact on the entire salary schedule.

Second, it is to be remembered that only two bargaining sessions happened before an impasse was declared by the parties in this case. Third, this is a reopener in the parties very

first labor contract. I further recognize that public employers are always going to be confronted with the argument that top seniority employees need more money. Moreover, it is clear that the need to balance the FOP and IAFF contracts may seem to place limits on or even preclude the granting of certain benefits such as longevity pay increases. The expenditure of money on a program like longevity pay when the Employer has determined it does not desire to do so will always engender conflict. No one has yet devised a way to eliminate differences in point of view or the belief that competing interests or concerns should not be compromised. Yet real negotiation as to basic changes in the status quo are still required.

I find that a modification in pay allocation of this dimension should only be done at the bargaining table. This is in line with my basic philosophy relating to interest arbitration, as the Employer itself pointed out. If the party making a proposal in interest arbitration showed an immediate need for relief, such as a serious inability to attract new personnel or recruits or to maintain the current employment group, and then also proved that the other side has adamantly refused to budge in bargaining, I would grant relief in interest arbitration.

There is no evidence that this situation exists here, or that basis for change was needed for relief of a pressing problem. The Union cannot even be considered obstinate in refusing to consider alternatives to the current pay structure, since there were only two bargaining sessions. Instead, what has

been developed on this record is a good faith but clear strategy by the Employer to maintain the current policy on longevity pay, but to give maximum compensation to firefighters being paid at the highest level. Still, of course, keeping in backstep with the police is also key. The trade-offs that such a strategy may require did not occur, however, since only two bargaining sessions happened before impasse and the calling for this interest arbitration.

For the foregoing reasons, I find the Union's final offer on salaries, as set forth in Joint Exhibit 3 to be less of a change in the status quo. I find no compelling, objective basis for changing the basic pay structure in an interest arbitration was presented by Management. Its strategies in its bargaining are its business. The existence of the basic change in compensation adduced here strongly militates against Management's final offer on salary. I so find.

G. Summary of Findings on the Salary Increase

The Union's final offer of a 4.2% increase effective on May 1, 1989 and a 1.75% increase on November 1, 1989 would amount to a 5.95% annualized increase. It does not separate the step increase granted under Article VI, Section 2 of Jt. Ex. 1 from the general increase in base salary given for Steps A-E. The Village's final offer would raise Steps A through D 2% effective June 1, 1989; 3% increases for employees at Step E; and 3.5% increases for employees at Steps F and F+. It also proposes a November 1, 1989 increase of 1% for firefighters at Step E, 1.75%

increases at Steps F and F+ and lieutenants; and no increases at Steps A-D. This would amount to a total cost increase of 4.11%, without considering the impact of EMT-P stipend increases. The Village's suggestion is that the package keeps the firefighters in step with the FOP contract raises, and also gives fair pay increases to the most senior employees, where an analysis of the comparables shows the need for more salary is greatest, without charging the longevity steps. It also argues I should grant no breakthroughs and maintain the status quo.

I find that there is at least some inflationary pressure on the salaries of the firefighters. Cost-of-living favors the Union's final offer. Moreover, the impact of lower EMT-P supplements and longevity pay than the comparables reduces the top ranking of the firefighters among the comparables if only a comparison of base salary is made. However, the Village's claim that base salary comparisons across-the-board with the agreed other towns shows Skokie in the top 4, and the highest ranked at maximum salary, is accurate. It strongly favors the Employer's final offer. According to the Village, this should outweigh cost-of-living, even without considering the impact of the EMT-P stipend and the claim that the economy is not currently inflationary and has not been so for at least six months.

I disagree. The Village's proposal would certainly maintain salaries at levels commensurate to those paid by comparable communities, but would hold down the dollars received by firefighters to amounts less than equivalent to recent increases in the consumer price indexes. The Village's proposal, though,

would maintain the firefighters' percentage increase at a level with that granted to the FOP unit in its last contract. Actual pocket dollars in base salary received by firefighters under the Village's proposal, however, would be substantially lower than that paid to police officers, and parity on that basis, which existed until 1988, would not exist anymore.

Last, the Village's offer is a substantial change in the status quo. It is a deviation from the prior pattern and philosophy of across-the-board payment of compensatory increases to both police and fire. It appears that this should only be done as a result of direct bargaining between the parties.

I adopt the Union's final offer on salaries. It provides for actual increases consistent with recent increases in CPI, results in some increase in relative ranking of pay with the comparable communities, but roughly maintains the same parity with the FOP unit on the crucial base pay schedule as existed before the FOP's second contract. Although I acknowledge that the proposal grants a higher percentage increase than the recent package agreed to by the FOP, I have not weighed that fact on the same scale as the other statutory criteria, given the basic change in status quo I find inherent in the Management's final offer. Because evidence on the other criteria was dispositive, it was not necessary to apply ability to pay, as discussed above in footnote 5. I so find.

The Village's salary offer combines step pay differentials in increase and would eliminate any general increase for Steps A-E in November, 1989 while granting the bulk of the increase to lieutenants and F+ firefighters.

It would move the Skokie fighters, when only base salary is considered, to the very top of the lists of agreed-upon comparables. The Union believes its offer is justified, based on cost-of-living data, and the fact that Management is in a sense discounting overall compensation differences among comparables that bring down the overall ranking drastically. It also believes that the Village wrongly relies on an assumption that other towns pay police officers substantially higher salaries than firefighters; this leads the Village to conclude that external comparables permit great percentage increases in base pay to police, but that internal comparison with the police total compensation package mandates that former parity in base pay be disregarded and firefighter percentage increases depressed.

After careful consideration, I find the Union's proposal on salary increases more reasonable, for all the foregoing reasons. It is hereby adopted as the final and best offer in this case. I so hold.

V. LONGEVITY

A. Positions of the Parties

1. The Union

The Union stresses that longevity payments are supplements to base pay. It emphasizes that the longevity system currently in effect was created in 1970 and has not been changed in any way whatsoever since then. In fact, the grossly below average longevity payments is a primary factor for the slippage in the position of the Village when compared to the other jurisdictions

used as "comparables" when overall compensation is calculated, it maintains. It is simply beyond argument that, when the external comparisons are made for the longevity policy, Skokie stands at the very bottom, the Union urges.

Since longevity pay is a form of wages or an economic benefit specifically subject to this reopener, the crucial statutory criteria of comparability mandates the adoption of the Union's proposal, it concludes.

2. The Employer

The Employer contends that longevity pay is a "seniority-based" proposal, and that any comparison with other jurisdictions must include the total of all seniority-based benefits. In that sense, Management is demanding that the "overall compensation" factor it rejected when the basic salary proposal was at issue should be used in assessing the fairness and reasonableness of the two competing longevity pay proposals.

According to the Employer, longevity pay is simply not justified in this case. First, the parties negotiated as to longevity pay program when this first collective bargaining agreement was entered into. No change in the prior policy occurred, although the issue was preserved for this reopener. Second, internal comparability demands that the policy of no increases in this stipend be maintained, as it was in the last negotiations for the FOP contract. Clearly, if the Union proposal is granted, the Arbitrator will have awarded the Union a "breakthrough" which the Union was not able to obtain through direct, face-to-face bargaining, the Employer strongly argues.

Finally, the Employer also contends that since the Village is fully competitive when all seniority-based benefits are considered together, the Arbitrator should accept the Village's final offer with respect to longevity pay. The Employer argues that the "selection of the Union offer on longevity" would, in effect, undue the bargain made at the commencement of this initial contract. The overwhelming consensus of arbitrators is that when the comparability data do not compel the adoption of the longevity pay proposal, the fact that this is deemed by some jurisdictions as a "superstep" is simply irrelevant. Longevity may be a valid compensation device, but the statutory criteria reviewed all mandate a rejection of the Union's final proposal.

B. Discussion and Findings on Longevity Pay

First, I cannot accept the Employer's emphasis on my discussion in City of DeKalb, supra, as precluding an award based on either of the longevity proposals because the Union was not able to obtain the benefit through direct, face-to-face bargaining. It is obvious that this particular issue was a bone of contention in the initial negotiations for this, the initial labor contract between the parties. The parties did agree during the negotiations not to change the longevity plan, but also reserved the issue to be specifically subject to the reopener, as provided in Article XXII, Section 2. Therefore, at least to the extent that the Employer is intimating that the Union is attempting to obtain now what it could not obtain through bargaining at the initial negotiations, I reject the argument.

However, as to the more basic point argued by the Employer, that is that the Union longevity proposal is indeed a substantial change in the status quo, Management clearly is demanding that I be consistent with my prior ruling in City of DeKalb, and that I reject the Union's longevity proposal based on my logic that interest arbitration is primarily focused on the status quo. I certainly continue to adhere to that basic philosophy, as discussed in the portion of the Opinion dealing with the general salary increase. However, as the Union was quick to point out, longevity pay is not a new concept between the parties and what the Union is demanding is simply the increase in a clearly existing and long-term benefit. As Management suggests, though, what the Union wants is a "break through" or "catch-up." With that suggestion, I agree.

That distinction, however, does not, of course, completely take the sting out of the Union's position that the longevity pay proposal has not been changed at all since it was instituted in 1970. According to the Employer, however, although the longevity pay benefit exists, the fact is that both the IAFF and FOP understand that Management has made a firm determination that increases in remuneration must come from other areas and that the longevity benefit is clearly a token item not a "superstep" on the incremental salary schedule.

Without a compelling reason to modify the Employer's longevity pay proposal other than "we want more," Management would be correct that it is best to permit the parties themselves to work out a new longevity pay schedule. Those are not the facts, though.

A better point of reference to what is really at issue here would be an assessment of whether the Union proved its claim that the comparability data compel the adoption of its proposal. Focusing then on the actual data presented, I note that the discussion centers around a series of Union exhibits, Union Exhibits 11, 18, 20 and 50 and also Employer Exhibit 23. On that Employer exhibit, which includes the 1989-90 salaries including longevity for firefighters with 12 years of service for all comparable jurisdictions, Skokie ranked 3rd in the comparison. The average seniority, as the parties stipulated, is at the 12 year point. Therefore, at least as to that aspect of overall compensation, the combining of base salary and longevity pay, comparables clearly favor the Employer.

The Union, however, argues that the totals presented on Employer Exhibit 23 should be reduced by the health insurance cost, the \$551 paid by Skokie firefighters out-of-pocket for that particular benefit. When that subtraction is made, the Skokie rank drops to 8th among the comparables.

The problem with the reduction for health insurance is that there is no logical connection between that benefit and the longevity pay policy. Health insurance, after all, is not a seniority-based benefit, as the Employer is quick to point out, and the contribution required for health insurance costs applies equally to all firefighters, regardless of seniority. I so find.

The same objection can be made to Union Exhibit 18, which includes the base pay for a firefighter with 12 years of seniority, plus longevity and holiday pay. Holiday pay does not relate to relative seniority.

Accordingly, the most persuasive evidence presented by the Union is contained on its exhibits 11, 19 and 50. A careful scrutiny of these exhibits, however, reveals that any combination of base pay and longevity at the 12 year seniority average puts the compensation for Skokie firefighters at least at the median point among the comparables. Only when longevity is the sole comparison point (Un. Ex. 11) does the relative ranking under either the Union or the Employer slip near the bottom, unless non-seniority-based benefits are selectively aggregated to pull down the comparative rank of the Village. The relatively high base salary rank differential offsets the low amount of longevity pay in the Village, when the cities considered comparable to the Employer who also pay longevity are scrutinized.

Additionally, as the Employer persuasively argued, a more appropriate frame of reference would be to consider longevity pay along with the other major seniority-based benefit provided by all of the comparable jurisdictions, i.e., vacation pay. That comparison sets forth the following statistical data taken from Village Exhibit 24.

AMOUNT OF PAID VACATION TIME FOR 24-HOUR PERSONNEL FOR
COMPARABLE JURISDICTIONS AFTER 12, 15, 20 AND 25 YEARS

| <u>Jurisdiction</u> | <u>12 Yrs.</u> | <u>15 Yrs.</u> | <u>20 Yrs.</u> | <u>25 Yrs.</u> |
|---------------------|----------------|----------------|----------------|----------------|
| Arlington Hts. | 192 | 240 | 264 | 264 |
| Des Plaines | 168 | 216 | 216 | 216 |
| Elk Grove Village | 216 | 240 | 240 | 264 |
| Elmhurst | 216 | 216 | 264 | 312 |
| Evanston | 168 | 168 | 168 | 168 |
| Glenview | 168 | 240 | 240 | 288 |
| Highland Park | 168 | 240 | 240 | 240 |
| Morton Grove | 192 | 192 | 240 | 264 |
| Mt. Prospect | 216 | 240 | 240 | 240 |
| Niles | 168 | 216 | 216 | 216 |
| Northbrook | 192 | 240 | 240 | 264 |

| <u>Jurisdiction</u> | <u>12 Yrs.</u> | <u>15 Yrs.</u> | <u>20 Yrs.</u> | <u>25 Yrs.</u> |
|-----------------------------|----------------|----------------|----------------|----------------|
| Oak Park | 168 | 240 | 240 | 288 |
| Park Ridge | 216 | 288 | 288 | 288 |
| Skokie | 216 | 264 | 336 | 384 |
| Wheeling | 240 | 240 | 288 | 288 |
| Wilmette | <u>196</u> | <u>240</u> | <u>240</u> | <u>240</u> |
| Average including Skokie | 193.75 | 232.50 | 247.50 | 264.00 |
| Average excluding Skokie | 192.28 | 230.40 | 241.60 | 256.00 |

As the foregoing vacation pay comparability data shows, the number of paid hours of vacation provided to Skokie firefighters is substantially higher than the comparable jurisdictions. At 12 years, the average seniority for the firefighters in this unit, the Village provides nearly 24 more hours vacation pay than the average of the other 15 comparable jurisdictions. The difference increases after that point. For example, after 15 years, Skokie provides nearly 34 more hours of vacation pay; at 20 years, Skokie provides slightly more than 94 additional hours of vacation pay; and at 25 years, Skokie provides 126 additional hours of vacation pay beyond the average of the other 15 comparable jurisdictions.

Thus, the Employer is correct to emphasize that the firefighters are seeking more money by way of the Union longevity-pay proposal, but paid time off is also money in a very real sense. Management also stressed that the jurisdictions that are at the top of the chart in terms of longevity pay (Des Plaines, Evanston, Highland Park, Niles and Wilmette) are at or near the bottom of the chart when it comes to paid hours of vacation. If I do not include Kelly days in the equation, the

Union offers no rebuttal to this comparison. I find, unlike the Union, Kelly days are not truly comparable, because unlike paid vacation, that benefit is not seniority based. Kelly days, like paid holidays, are entitlements granted to all firefighters.

I therefore accept the Employer's contention that its longevity pay proposal, when considered with the proper related benefits, that is, the seniority-based benefit of vacation time, places it at the median among the comparable cities. I so hold.

In any event, I also find persuasive the Employer argument that its strong desire to retain internal comparability makes substantial sense with regard to this particular pay proposal. There is no dispute that the longevity pay plan has been precisely the same for both police officers and firefighters since 1970. Moreover, it is the overwhelming practice among the comparable jurisdictions for both police officers and firefighters to be covered by the same longevity pay plan. That is reflected in a comparison of Employer Exhibit 21 and 27, as Management suggests. In those exhibits, it is disclosed that 10 of the 15 comparable jurisdictions, excluding Skokie, have exactly the same longevity pay plan for both police and fire.

Since there is no evidence that the combination of the firefighter salary for employees with an average of 12 years seniority, and the longevity pay provided for these firefighters, results in the average Skokie firefighter being below the upper quarter of the comparable communities, I accept the Village's longevity pay offer and adopt it as my Award. Substantial evidence of a real need for an increase would be required for me

to override the long-standing policy of maintaining the longevity pay program as a uniform benefit for both the police and firefighter bargaining units. No such evidence was forthcoming, as I interpret the evidence. I so find.

Therefore, pursuant to Article XXII, Section 2 of the current Agreement, I adopt the Village's final longevity proposal.

VI. EMT-P STIPEND

A. Position of the Parties

1. The Union

The Union proposes that its offer be accepted as to paramedic pay, based upon the statutory factors of Section 14(h) of the Act and the evidence introduced at the hearing. The Union proposes that the annual stipend be increased to \$1,200, or a 20% increase in the \$1,000 stipend that was implemented as of May 1, 1988. The total cost of this benefit would be \$7,600.

First, the Union points out that paramedic pay is a supplement to base pay. It is also paid in all the comparable jurisdictions which employ firefighters who are cross-trained as paramedics. The need for such pay is to attract qualified personnel who are capable of becoming certified paramedics, the Union suggests. Special training, certification procedures under State law, and on-going training and testing are all required. The pay increase through the EMT-P stipend was designed originally to encourage firefighters to cross-train as paramedics. The stipend was crucial in causing 38 firefighters to now qualify and function in the paramedic role, the Union maintains.

However, according to the Union, since 1984, the Skokie paramedic pay stipend has not been sufficiently increased and the Village has fallen behind the other towns considered comparable. The Union acknowledges that the stipend was increased in the first collective bargaining negotiations in 1987 from \$600 to \$1,000. However, like longevity pay, this item was specifically reserved for further bargaining in the reopener for the final year of this labor agreement because the Village stands so low in comparison with the other comparable jurisdiction, urges the Union.

The basic argument presented by the Union is that the current \$1,000 stipend is the lowest of any of the comparable jurisdictions. Indeed, even the Union proposal of a \$1,200 stipend will only modestly increase the rank on this particular benefit. Union Exhibit 17 shows that the comparable 15 jurisdictions, without including Skokie, pay an average paramedic stipend of \$1,710. Employer Exhibit 28 shows the average to be \$1,694, including Skokie in the calculation.

Based upon the foregoing, and in light of the large number of paramedic and medical emergency calls this Fire Department receives, the Union's proposal of \$1,200 is modest and justified, the Union concludes. It should be adopted.

2. The Employer

The Employer contends that I should accept its final offer, which would increase the annual EMT-P stipend by 15%, since it is the most reasonable under all the circumstances presented.

Militating against the adoption of the Union proposal is the fact that Management strongly desires to maintain the total compensation package for the IAFF at roughly equivalent to that granted the FOP. The annualized cost of the Village's final offer of \$1,150 per fiscal year would be \$5,700 for the 38 bargaining unit paramedics. The Village offer would result in the EMT stipend being increased by 15% above the current stipend, a substantial jump in a one-year reopener.

Basic to Management's posture is the fact that it already moved up the paramedic stipend during the first negotiations with the IAFF for the initial contract. Although Employer Exhibit 28 shows that the current stipend trails the average of comparable jurisdictions, an increase to \$1,200 for the stipend would mean that it doubled in the first contract between the parties. The difference from the average of the comparables would be decreased from \$674 for fiscal 1988-89 to \$560 for the 1989-90 fiscal year under the Village final offer. This means, on the basis of the Employer's final offer, that the paramedic pay would not only keep pace with the increases received by paramedics in comparable jurisdictions at this time, but the offer actually closes the difference by \$114. That is reasonable and appropriate.

For the foregoing reasons, Management urges that I adopt its proposal on the paramedic stipend.

B. Discussion and Findings on The Paramedic Stipend

The statistical data presented by the parties demonstrate that the Skokie EMT-P stipend is below both the median and the

average for other comparable jurisdictions. Management claims that the high top step salary for Skokie firefighters with reference to base salary more than makes up for that difference. However, as the Union stressed, emergency medical calls form an important part in the demands placed on the Skokie Fire Department. In fact, the Village has the third highest population among the comparable jurisdictions, yet, in 1988, it had the highest number of emergency medical service calls among the comparables. Union Exhibit 24. Furthermore, the bargaining history recognizes that the paramedic stipend was indeed too low. The first increase in the initial negotiations which created this contract was from \$600 to \$1,000. Each side further recognizes the need to upgrade this particular benefit, since both proposals reflect an attempt at a substantial increase (20% from the Union, 15% from the Village).

If this were the only issue on the table, I would find for the Union. Basically, as I understand Management's position, the reason it does not agree with the Union proposal does not have anything to do with the external comparability data. What is at bottom is the Village's attempt to maintain "symmetry" with the FOP bargaining unit. It also does not want to double the stipend during the first contract. Sometimes, inequities must be left to future bargaining. Although external considerations often outweigh the need to maintain comparable packages between competing internal bargaining units, I find that I agree with the Employer that, under these facts, the need to keep the two Village bargaining units, FOP and two IAFF, roughly comparable in

the cost of the total package supports the Village's EMT-P stipend offer in the reopener year of this initial contract.

For the foregoing reasons, I decline to adopt the Union's proposal on the EMT-P stipend, and instead adopt the Village's proposal.

VII. RETROACTIVITY

A. Position of the Parties

1. The Union

The Union proposes that the award be made retroactive to May 1, 1989, the start of the Employer's fiscal year, contending that - (1) wages have historically been made effective at the start of the fiscal year; (2) the reopener was for May 1, 1989; and (3) retroactivity for the first collective bargaining agreement also was to May 1, the start of the 1987-88 fiscal year. The Union argued that Management's only desire in the instant case is to hold costs down to keep the total package in line with that given to the FOP bargaining unit. That is insufficient to override the practice and the logic of keeping the reference point for raises at the start of each fiscal year, suggests the IAFF.

2. The Employer

The Employer argues that "the reason for the June 1 date was to provide for a total cost that was equivalent to the salary increases negotiated with the FOP for the 1989-90 fiscal year." It is very much the Village's position, a position that is fully

supported by the record in this case, that there is simply no justification for awarding the firefighters a greater increase in compensation than was previously agreed to in arms-length negotiation with the FOP, the Employer argues.

B. Discussion and Findings on Retroactivity

Historically, salaries have been effective at the start of the Employer's fiscal year for both the police officer and firefighter unit, as I read the record evidence. That was the practice in the initial negotiations between these parties for the current labor contract, Jt. Ex. 1. Moreover, the reopener itself was plugged into the start of the fiscal year. Additionally, although by no means dispositive, Management at the first bargaining session offered full retroactivity had the Union then accepted the May 4, 1989 offer of the Village. Therefore, it is clear that the past practice is to grant retroactivity as the Union demands, or at least that the parties both well understood the start and half-way point of the fiscal year is when raises normally come. That practice was followed with both FOP contracts and the labor agreement, both sides agree.

The only countervailing consideration is Management's desire to match the cost of its economic package with that granted to the FOP bargaining unit, the record discloses.

I am willing to accept the demands of internal comparability as persuasive with regard to the EMT-P stipend for a wage reopener in a first contract, where both sides offer a substantial move or increase in a cost item. There, no past

practice would be disturbed, and the difference is \$50 for the year for the 38 paramedics for only this fiscal year.

I do not find compelling the same cost containment argument against retroactivity back to the beginning of the fiscal year, however. I understand and respect the Employer's natural desire to keep the total pay increase for police and fire in Skokie somewhat in line. That is a customary Management goal.

However, the parties have here established a practice I am compelled to respect. It is the making of new salaries effective at the start of the fiscal year, and at the mid year point. The firefighters should not be inextricably bound to pay the costs of the package for the police force members. They are not held captive by the FOP. The desire to keep the economic costs of the two bargaining units closely similar is certainly understandable on Management's part. That, however, cannot be the sole reason to accept an offer, when the practice of the parties and the logic of the situation determines that retroactivity should in fact be to May 1, 1989. I would respect a negotiated agreement providing no retroactivity equally to one that provides retroactivity. I would for example respect the practice of only granting wage increases upon contract ratification with no retroactivity. Similarly, however, I shall respect the proved past practice of these parties for retroactive wage increases to the beginning of the fiscal year, which I believe this record supports. I so find.

For the foregoing reasons, the wage increases are made retroactive to May 1, 1989, and the Union's offer is adopted.

VIII. SUMMARY OF AWARDS

I make the following awards:

(1) I adopt the salary schedule proposed by the Union set out in Joint Exhibit 3, in line with the reopener provided in Article XXII, Section 2. I decline to adopt the Employer's proposal on salary increases set out in Joint Exhibit 4.

(2) I adopt the longevity pay proposal of the Employer set out in Joint Exhibit 4, in accordance with Article XXII, Section 2 of the Agreement. I decline to adopt the Union's longevity pay proposal set out in Joint Exhibit 3.

(3) I adopt the EMT-P stipend proposal of the Employer set out in Joint Exhibit 4, in accordance with Article XXII, Section 2. I decline to adopt the Union's proposal on EMT-P stipend set out in Joint Exhibit 3.

(4) I adopt the retroactivity proposal of the Union set out in Joint Exhibit 3, in accordance with Article XXII, Section 2. I decline to adopt the retroactivity proposal of the Employer set out in Joint Exhibit 4.


ELLIOTT H. GOLDSTEIN
Arbitrator

Dated at Chicago, Illinois,
March 2, 1990