



STATE OF ILLINOIS  
DEPARTMENT OF LABOR  
ARBITRATION SERVICE

In the Matter of Arbitration Between

Laborers' Local Union #529	)	IDOL Case #9-90-A11-286-FR12
	)	
	)	Issue: Wage Reopener
	)	
vs.	)	Grievants': Police and Fire
	)	Departments
	)	
City of Benton, Illinois	)	Hearing: September 28, 1989
	)	
	)	Arbitrator: Flora Reilly

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APPEARANCES

For the City

For the Union

Charles L. Quindry, Esq.  
Attorney at Law  
P. O. Box 41  
Benton, Illinois 62812

Elza E. Page, Commissioner of  
Accounts and Finance and  
Budget Officer

Michael Malkovich, City Clerk

Michael O'Hara, Esq.  
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407 East Adams  
Springfield, IL 62705

Elza E. Page, Commissioner of  
Accounts and Finance and  
Budget Officer

John Taylor, Business Manager

Richard W. Dale, City Fireman

## BACKGROUND

The City of Benton, Illinois, a municipal corporation located in the County of Franklin, hereinafter referred to as the "City", entered into a three year collective bargaining agreement, hereinafter referred to as the "Contract" effective May 1, 1988, with Laborers' International Local Union #529, hereinafter referred to as the "Union", covering all employees of the Police and Fire Departments as defined in the City's ordinances. Therein, in Section 17 of the Contract, the City and Union provided for annual re-negotiation of wages on May 1st of each subsequent year of the Contract, beginning May 1, 1989.

Negotiations on the wage reopener issue began on May 9, 1989. The City's initial offer of a \$500 per year across the board raise was rejected by the Union; and the Union's initial request for a \$3,600 per year across the board raise was rejected by the City. The services of a mediator, pursuant to Section 17 of the Contract was utilized. Unable to reach agreement on the wage issue for May 1, 1989, the Union and the City submitted a joint request to the Illinois Department of Labor for the appointment of an arbitrator to "hear a wage and benefit dispute, pursuant to Section 17 of the Contract between the parties". Subsequent to my appointment thereto, a hearing was convened in Benton, Illinois on September 28, 1989 in the matter of IDOL Case #9-90-A11-286-FR12.

## ISSUE

What shall be the wage rates from May 1, 1989, through April 30, 1990, for employees in the bargaining unit comprised of policemen, firemen and dispatchers?

## RELEVANT CONTRACT PROVISIONS

"17. RE-NEGOTIATIONS, WAGES: As stated, wages shall be reopened for negotiations effective May 1, 1989, May 1, 1990 and again on May 1, 1991. For the first year only commencing May 1, 1989, negotiations for wages shall begin on May 1, 1989. On May 1, 1990 and May 1, 1991, negotiations shall begin no later than thirty (30) days prior to May 1, 1990 and May 1, 1991. Negotiations shall be opened by either party, upon sixty (60) days prior notice. The wages in this agreement shall remain the same and be effective until a modified agreement is reached; retroactive pay will be given upon settlement. If unresolved sixty (60) days from the start of the matter it shall be referred to a mediator from the Illinois Department of Labor. If, with the help of the mediator the matter is not resolved within sixty (60) days, the parties shall agree to submit the matter to binding arbitration with an arbitrator from the Illinois Department of Labor. The time

limits herein established may be extended by mutual agreement of the parties."

#### POSITIONS OF THE PARTIES

It was the position of the Union, that negotiations commenced on May 9, 1989, and have been ongoing to the present date. A mediator was involved pursuant to Section 17 of the Contract without resoluton, and the issue was subsequently referred to binding arbitration. The wage re-opener provisons of Section 17 of the Contract limits the issue to wages of members of the bargaining unit for the period from May 1, 1989 through April 30, 1990. Under the State Labor Relations Act (Illinois Revised Statutes, Chapter 48, Section 1601 - 1627), the Arbitrator must choose between the Union's best and final offer of \$1800.00 (eighteen hundred dollars) per year across the board wage increase, and the City's best and final offer of \$800.00 (eight hundred dollars) per year across the board increase.

Wages of bargaining unit employees have been adversely affected by an increase of approximately \$1,200.00 per year in premiums paid by employees for dependent insurance coverage. The Union attempted to proffer alternative insurance coverage to lessen the economic impact, which was rejected by the City.

When the City's offer of \$800.00 is subtracted from the Union's offer of \$1800.00, the cost to the City for the increase sought by the Union for the 18 bargaining unit employees would cost the City an additional \$18,000.00 for the year (May 1, 1989 through April 30, 1990), over the total cost for the \$800.00 increase.

The cost of living for the three previous years was 2.9% in 1987; 3.8% in 1988; and 4.2% in 1989. Including the \$50 wage increase the bargaining unit employees received last year, the cost of living alone, has risen \$1,5550.00 for the employees. That, plus the \$1,200.00 increase in insurance premiums has severely impacted the wages of bargaining unit employees. The Union is only asking to run in place next year. Also impacting bargaining unit employees' wages, all of whom live in the City, is the City's increased water and sewer rates.

Elza E. Page, City Commissioner of Accounts and Finance and the City's Budget Officer, was called as a witness by the Union. He testified that the methodology of the City's budget changed, effective May 1, 1989, from an appropriations ordinance to a budgetary process. Under the former appropriations ordinance method, the City appropriated funds for expenditures. The budgetary process, set up for the City by the Illinois Department of Commerce and Community Affairs (DCCA), is a projection of revenues and expenses for the fiscal year. Upon being appointed Budgetary Officer for the City, Page was paid, in addition to his salary for commissioner, \$5100.00 per year which was budgeted into the general fund in the 1989 budget.

Union Group Exhibit #1, obtained during pre-hearing discovery by the Union, was identified by Page as changes in line items in the budget (page 1, dated May 8, 1989; page 2, dated June 16, 1989; page 3, dated August 28, 1989) and the original fiscal year 1989-90 budget formulated by him and put together by a staff person from the Illinois Department of Commerce and Community Affairs (DCCA). Line item changes in each of the first three pages of Union Exhibit 1 were made subsequent to the adoption of the budget. The line item changes dated May 8th only affected the total projected expenditures of the Community Development Revolving Loan Fund, which according to Page are paid from that fund, with revenue from the repayment of loans made from the fund. Use of those funds is restricted, and they can not be used to pay for other budgetary items such as salaries.

Page three of Union Exhibit #1, dated August 28, 1989, was identified by Page as additions to the fiscal year 1989-90 budget based on monies the City expects to receive from the surcharge on the state income tax increase, estimated to be \$172,000.00 per year for the next two years. That additional revenue will go to the general fund, from which expenditures will be made. Admitting that none of the additional revenue has been budgeted for salaries, Page contended it was the City Council's understanding that those funds were intended by the State Legislature to be used for the betterment of the community, capital improvements and betterment of facilities, not for salary increases. He said revenue from the income tax surcharge is only for two years, but salary increases will continue beyond that period.

Under Capital Improvements (line item 523) in the August 28, 1989, amendment to the budget, Page acknowledged that Economic Development had been increased from \$5,000.00 in the original budget to \$30,000.00; Benton Civic Center had been increased from \$500.00 in the original budget to \$65,500.00; and Benton's Mini Park had been added and earmarked for \$25,000.00, all from the expected \$172,000.00 revenue from the income tax surcharge for one year. Page said the fiscal year 1989-90 budget was completed in March or April, 1989. The City did not know they would be receiving the additional revenue from the state income tax surcharge until July, 1989. Those additional revenues had to be put into the budget, resulting in the amendment setting forth increases in the budget in the combined total amount of \$172,500.00 for the 1989-90 fiscal year.

The Union confirmed Union Exhibit #2 with Page, which showed patrolmen's and firemen's beginning annual base salaries at \$16,978.46; and their annual base salaries after working more than 15-years, at \$21,678.93. Dispatchers' beginning annual base salaries were shown to be \$13,100.60; and after working more than 15 years, at \$16,725.67. After 36-months of employment, the annual base salary for patrolmen and firemen is shown at \$19,442.99; and the annual base salary for dispatchers is shown at \$15,000.60.

The Union contended that in 1986, it agreed to a reduction of starting salaries in order to get a \$50.00 per year increase for its members, resulting in a two-tiered salary schedule providing for lower beginning wages for the first 36-months of employment. However, Page contended that the beginning salaries shown in Union Exhibit 2 are not correct, due to action of the City Council because they believed the beginning salaries were too low.

Page contended that the current average annual salary for patrolmen is \$20,167.62, and when the City pays all associated costs, such as pension, vacation, sick days, holidays, social security, unemployment insurance contributions, workers' compensation, etc. it amounts to an annual cost to the City of \$40,400.62 per employee. He admitted that "in one way", wages of patrolmen and firemen are for the betterment of the community. However, he contended that the Council has to think about the entire City, not just the Police and Fire Departments. When the original 1989-90 fiscal year budget was prepared, a \$500.00 wage increase for each City employee was unilaterally built into it, which is a figure by which the Council believed it could live. There was no comparison, to Page's knowledge, of salaries of Police and Fire Department employees of communities of comparable size when budgeting the \$500.00 wage increase for City employees, including the bargaining unit employees.

When asked if the City had problems with appropriate manning requirements for the Police and Fire Departments based on its population, Page said he only knew that the present City Council had hired one dispatcher, one patrolman and two firemen.

Page admitted that the City will soon have a new 911 service, for which the onus, with respect to manipulating and providing that service, will be on the dispatchers. Admitting that the City did not compare salaries of its patrolmen, firemen and dispatchers with those of patrolmen, firemen and dispatchers in other communities of comparable size, Page said the 1989-90 fiscal year budget was really the first budget the City had figured.

Page said he had input into a "Statement of Position", hereinafter referred to as "Position", offered by legal counsel for the City. That Position was prepared prior to the City's offer of an \$800.00 wage increase. Its purpose was to propose what a \$500 across the board wage increase for City employees, including those in the Water Department and Street Department, as well as the patrolmen, firemen and dispatchers, would cost the City. The Union pointed out that therein, the projected average salaries of employees of the Water Department were \$20,006.43 per year, and the projected average salaries of firemen were \$20,109.83 per year, a difference of only \$103.40 per year.

The Union contended that the work of firemen and patrolmen is more hazardous than the work of employees of the Street and Water Departments. Patrolmen and firemen must receive training in

their profession. Patrolmen must carry guns and the nature of their work regularly places them in life threatening situations. Likewise, the duties of firemen place them in life threatening situations. They should be paid a higher wage than other City employees because the mere nature of their jobs require that they risk their lives for the health and safety of others in the City. The patrolmen, firemen and dispatchers are represented by a different Union than the other City employees, but the City's proposed 1989-90 fiscal year budget allowed for the same increase for all of the employees.

When asked if the City coordinates wage increases between the unions, Page said it does not. Regarding the same proposed wage increases for all employees, Page said he only knows what the Council did, which is that the Council will not differentiate. If one group of employees gets a wage increase, the Council wants the other group(s) to get the same.

Regarding the capital improvements, in line item #523, added to the 1989-90 fiscal year budget in the August 28, 1989 amendment (Union Exhibit 1, page 3), Page said the \$25,000.00 added to the budget under Economic Development is for capital expense for a new prison in the vicinity of Benton. That is a portion of the City's \$57,500.00 obligation to the cost of a new prison, as a member of the Rend Lake Economic Development Corporation, comprised of four entities, the City, Franklin County, Rend Lake and the City of Mt. Vernon. The advantage to having the prison in the locality is that it will create approximately 400 new jobs in the area.

The Union contended that such new jobs will increase the tax base, resulting in more monies in the City's coffers, which would help fund the wage increase sought by the Union even if the surcharge on the state income tax does not continue beyond two years.

Union Exhibit #3, a medical insurance plan for Laborers' Local #529 only, was shown to Page, who said that was a plan presented to the City Council by Southern Illinois Laborers' District Council President Ed Smith. He said the plan provided less coverage than the Blue Cross/Blue Shield Plan, to which the Union countered that the bargaining unit employees were willing to take less coverage in order to reduce their cost for premiums. Page said the plan offered by the Union is restricted to Union members only, and the City Council said the plan must be available to all employees of the City. Page said the Council could not continue Blue Cross/Blue Shield coverage for other City employees if the Union was covered by a different plan because Blue Cross/Blue Shield does not allow for fractionalization of employees of an employer. As for the consideration of other insurance plans, Page said he checked on other Blue Cross/Blue Shield plans, but could not get comparable coverage with the other plans. No bids were taken, nor other insurance company's plans considered, according to Page, who said the increased premiums for the City's

coverage was based on experience, i.e., claims had exceeded premiums paid, and said there are a lot of retirees covered by that plan.

Union Business Manager John Taylor testified that in July or August, 1989, he went to the Mayor's office to discuss negotiations. One City Councilman wanted to get it settled. However, he said he was told by the Mayor and that Councilman that they had given their word to the other Union that the bargaining unit covered by Laborers Local #529 would not receive a higher raise than they had received. Taylor said the Union felt that was an unfair labor practice, which had been discussed with Union officials, their legal counsel and in the meeting with the mediator.

Richard William Dale, a fifteen year employee as a fireman for the City, testified that he serves on the pension board and is secretary of the Benton School District Board of Education (School Board). The School Board's expected revenue from the state income tax surcharge is \$300,000.00 per year, of which 95% has been allocated for wage increases for school employees.

Dale said when negotiations with the City for 1986 began, the Police and Fire Departments were undermanned. The Union agreed to a two tiered salary schedule, providing for lower beginning wages for new hires in order to get a \$50.00 increase for experienced Union members. New hires were to start at \$14,300.00 annually, receive a \$250.00 increase after the first year and elevate to the probationary wage by the fourth year of employment. The starting wage for the Water Department for that year was \$17,000.00 per year. The other union did not reduce its beginning wage.

Not sure of the number of employees in the Fire Department who has dependant insurance coverage, Dale said he knew of one employee who had looked for other independent coverage. However, he could not afford it and is still on the plan through the City at a hardship.

The Benton School District, of which Dale is a Board Member, is on the same insurance plan as the City. The school's premiums rose 30%, while the City's doubled. Dale said other insurance companies wanted to bid on the school's insurance, so there are other companies whose plans could have been considered by the City. However, the School Board chose not to change insurance plans because the increase was not that excessive. When the Laborers' Health and Welfare Fund proffered its bid to the City, all Police and Fire Department employees agreed to change if it was possible.

In its summation, the Union contended that the Police and Fire Department employees are under the burden of dangers on a daily basis, while protecting the health and safety of the citizens of the City. The City is not indigent. Wage increases for

bargaining unit employees to keep pace is a betterment of the community. A mere total of \$18,000.00 over that being proffered by the City will not adversely affect the community.

The City will receive \$172,000.00 in new monies each of the next two years. Expansions and economic development in the locality will increase traffic, as well as the duties of both patrolmen and firemen, and new jobs created will increase the City's revenues from income taxes. It is myopic to expend all of the new monies on capital expenses without a modicum of wage increases for employees in the bargaining unit. With the cost of living increases and the increase in insurance coverage paid by the employees, the only means of maintaining the status quo is for each employee to receive the \$1,800.00 per year increase sought by the Union. Their job functions are not even remotely comparable to other City employees. The joining of unions in raises violates anti-trust laws. Employees of the City are represented by different unions, and there should not be egalitarian wage standards for them.

When comparing union contracts for three cities of comparable or smaller population, the City of Benton is not paying comparable rates to employees of its Police and Fire Departments. In support of that contention, the Union offered into evidence a copy of the following Union Contracts covering police departments and dispatchers between: City of West Frankfort and Laborers' International Local Union #529 (Union Exhibit 4); City of Harvard and Illinois Fraternal Order of Police Lodge No. 134 (Union Exhibit 5) and City of Chillicothe and Unit No. 91 of the Chillicothe Policemen's Benevolent and Protective Association (Union Exhibit 6). There is no contention by the City that it does not have the ability to pay the wages sought by the Union. They are equivocating because they have chosen other areas in which to spend their money than to adequately compensate their employees in the Police and Fire Departments, who are represented by the Union.

The Union asked that each employee covered by its Contract with the City of Benton be awarded an increase of \$1,800.00 per year, retroactive to May 1, 1989.

It was the position of the City, that its final offer of an \$800.00 across the board wage increase is more than it can handle in terms of its finances. The City disagreed that the increase sought by the Union would only cost the City an additional \$1,800.00 more than the cost of its final \$800.00 offer, when the total cost to the City is taken into consideration. For any increase, there are other expenses.

Budget Officer Elza Page confirmed that the cost to the City is greater than the amount of any wage increase given to employees. The City's cost for employee insurance coverage increased, effective May 1, 1989, from \$1,375.00 per year, per person, to \$2,335.00 per year, per person. There are other

departments employed by the City and the costs of insurance has risen for them as well. Dependent insurance premiums, according to the City is not relevant to this issue. In support of the City's contention that the total cost of wages to the City are considerably more, Page referred to the City's written "Position", for which he prepared the figures to show the cost of a \$500.00 annual salary increase per employee. Therein, the average salary for patrolmen, based on a projected annual salary increase of \$500.00 per employee, is shown as \$20,627.62. Additional costs which Page contends the City will incur include:

Overtime	\$4,500.00
Health & Life Ins.	\$2,335.00
Unemployment Comp	\$ 180.00
Workers Comp	\$1,625.00
2 Weeks Vacation	\$ 794.00
10 1/2 holidays plus birthday	\$1,142.00
Clothing Allowance	\$ 400.00
8 sick days	\$ 794.00
5 personal days	\$ 397.00
Phone Bill	\$ 288.00
Pension Contribution	\$9,437.50
<b>TOTAL FRINGE BENEFITS</b>	<b>\$21,892.50</b>

According to Page, the total average cost for each of the seven patrolmen, including both the wage increase and the fringe benefits would be \$42,520.12.

Based on the same criteria, the average salary for dispatchers is shown in the City's "Position" as \$16,050.00, with the following additional costs to the City for fringe benefits:

Overtime	\$4,500.00
Health & Life Ins.	\$2,335.00
Unemployment Comp	\$ 180.00
Workers Comp	\$ 325.00
2 weeks vacation	\$ 618.00
10 1/2 holidays plus birthday	\$ 700.00
10 sick days	\$ 618.00
5 personal days	\$ 309.00
Social Security	\$1,543.00
IMRF	\$2,445.00

According to Page, the total average cost to the City for each of the five persons employed as dispatchers would be \$29,623.30.

For the firemen, based on the same criteria, the average salary is shown in the City's "Position" as \$20,109.83, with the following additional costs to the City for fringe benefits:

Overtime	\$4,500.00
Health & Life Ins.	\$2,335.00

Unemployment Comp	\$ 180.00
Workers Comp	\$2,113.54
2 weeks vacation	\$ 774.00
10 1/2 holidays plus birthday	\$ 810.00
Clothing Allowance	\$ 400.00
96 hours sick leave	\$ 845.00
5 personal days	\$ 352.00
Phone Bill	\$ 288.00
Pension Contribution	\$4,570.00

The total average cost for each of the six persons employed as firemen, is shown as \$37,277.37.

The \$172,000.00 in additional revenue the City expects to receive, has been added to the fiscal year 1989-90 budget (Union Exhibit 1, page 3, dated August 28, 1989), as follows:

PUBLIC HEALTH & SAFETY POLICE

LINE ITEM:

404 salaries (sick)	from 5,000 to 7,511	increase of 2,511.00
453 training	from 500 to 1,873	increase of 1,373.00
489 other gen. sup.	from 350 to 753	increase of 403.00
513 community rel.	from 500 to 1,588	increase of 1,088.00
429 vehicle maint.	from 7,000 to 9,000	increase of 2,000.00
428 radio maintenance	from 2,000 to 4,000	increase of 2,000.00
		INCREASE OF.....9,375.00

NEW LINE ITEM:

520 vehicle lease payment	17,625.00
TOTAL INCREASE OF PUBLIC HEALTH & SAFETY POLICE..	\$27,000.00

PUBLIC PROPERTY

LINE ITEM:

421 build. maint.	from 2,500 to 7,500	increase of 5,000.00
502 property payment & interest	from 7,380 to 24,580	increase of 17,200
		INCREASE OF 22,000.00

ZONING

LINE ITEM:

452 travel/meals	from 2,500 to 3,300	increase of 800.00
TOTAL INCREASE OF PUBLIC PROPERTY.....		\$23,000.00

CAPITAL IMPROVEMENTS

LINE ITEM:

economic development	from 5,000 to 30,000	increase of 25,000.00
Benton Civic Center	from 500 to 65,500	increase of 65,000.00
Benton's Mini Park		25,000.00
TOTAL INCREASE OF CAPITAL IMPROVEMENTS.....		\$115,000.00

MOTOR VEHICLE PARKING FACILITY

subsidize

TOTAL

7,500.00

7,500.00

THE TOTAL INCREASE FOR THE 1989-1990 BUDGET WILL BE...\$172,500.00

The City's fiscal year 1989-90 budget shows a beginning balance of \$77,000.00. Projected revenues for that year are \$967,500.00, making the total available projected funds \$1,044,500.00. Budgeted expenditures from the general fund are estimated to be \$1,044,299.00, leaving an estimated year end balance in the general fund of \$201.00. That budget included expenditures for a \$500.00 per year across the board wage increase for all City employees, according to Page. The City conceded that in addition to the projected revenues in its fiscal year 1989-90 budget, it will receive approximately \$172,000.00 for each of the next two years in additional income tax payments from the State of Illinois. However, those funds have been committed by the City to attract industry, develop the local economy and improve the City's Department of Public Health and Safety. \$57,500.00 of that money will be expended by the City as its contribution to the purchase of a site for construction of a new medium security state prison which will bring an additional 400 new jobs to the locality.

The pensions for the patrolmen and firemen, set by law, are extremely costly, according to Page. With only a \$500.00 increase, the City's cost for each patrolman's pension would be \$9,437.50 per year, and for each firemen, it would be \$4,570.00 per year. Additionally, the City pays \$288.00 per year for local telephone service in the homes of its policemen and firemen, because their personal telephones are used in the course of their duties.

Page said it is the policy of the City to spread any increases to the whole City. If the Union in the instant case receives an increase, the other employees will be given the same increase.

Regarding the issue of a newly hired assistant to the City's Zoning Administrator, which was raised by the Union, Page said the Zoning Administrator went from full-time to part-time, the new hire is part-time, thus his hiring is equivalent to the one full-time position which had previously existed.

In summation, the City contended that City Government exists to provide more than fire and police protection. There are other departments and services which must be provided. Economic development is important to the community, especially when some 400 jobs will be created with the construction of the new prison. The City Council determined the allocation of the new tax revenues, and it will be two or three years before the benefits of those expenditures will be received.

The City submitted that its financial condition, both as to income and expenses, illustrates that it can not provide for an extra ordinary increase in wages and salaries for members of the Police and Fire Departments, and asked that its last and best offer of \$800.00 per year, per employee in the bargaining unit, be granted.

#### OPINION

The matter is properly before this Arbitrator, pursuant to the Contract and the Public Labor relations Act (Illinois Revised Statutes, Chapter 48, Paragraph 1614), hereinafter referred to as the "Act"; the economic issues in dispute have been identified; and the parties have submitted, at the hearing, their last offer of settlement of wage increases for bargaining unit employees (patrolmen, firemen and dispatchers) covered by the Contract between the City and the Union. The authority of this Arbitrator is limited by Section 14(g) of the Act (Supra) to choosing between the last offer of settlement of each of the parties, based on pertinent factors set forth in Section 14(h) of the Act, as applicable.

The wages of bargaining unit employees are paid from the City's General Fund. Therein, the City budgeted, in its fiscal year 1989-90 budget, a wage increase of \$500.00 per year, per bargaining unit employee, and offered its written "Position" (Supra) showing the total cost to the City for such an increase. It is duly recognized that employers incur costs in excess of gross wages paid to its employees. However, I find that the figures shown by the City in its "Position" (Supra) are misleading and inflate the actual increased costs to the City for the bargaining unit payroll.

By Page's own admission, average amounts shown under the heading of "Fringe Benefits" for vacation, holidays, each employee's birthday, sick days and personal days are not paid in addition to the average salary shown for each of the three classifications in the bargaining unit. Conversely, those employees' respective salaries include payment for such excused days. Page's justification for showing those amounts separately was that the employees can "buy them back".

The provision of the Contract relative to holidays (Article 4), states, in part:

"...In the event an employee hereunder is working on said holiday, said employee shall be paid for said holiday the regular rate of pay in addition to receiving the regular pay for said day worked, but he or she shall not be entitled to another day in lieu of said holiday".

The above provision does not cost the City any additional monies

for holiday pay (emphasis added). It requires that covered employees be compensated, in addition to their holiday pay, at their regular rate of pay in the event they must work on a holiday. Such wages would logically be paid from the amount budgeted for overtime.

Personal days are provided in Article 4 (Supra) of the Contract as follows:

"...dispatchers and clerks shall be entitled to five (5) eight (8) hour personal days per year, policemen shall be entitled to five (5) ten (10) hour shift personal days per year, and firemen shall be entitled to four (4), twenty-four (24) hour shift personal days per year.

That provision of the Contract does not require the City to pay employees for unused personal days, therefore, no additional cost for personal days (emphasis added), above the base salary of bargaining unit employees is incurred by the City.

Sick days, as set forth for the respective classifications in the City's written "Position", "...may be accumulated up to thirty (30) days and any additional days in excess of twenty (20) days accumulated shall be paid at the end of the fiscal year (Article 5.A of the Contract). Under that provision, the maximum unused sick days for which the City would pay is ten (10) per employee, which would take an employee three years to accumulate, if he/she did not use any sick days. However, it is unreasonable to assume that all employees in the bargaining unit would meet the above criteria and be entitled to any appreciable pay for unused sick days.

Article 5.B of the Contract provides for another employee option, regarding sick days, as follows:

"Raise cumulative sick days to sixty (60) days. Paid for days over sixty (60). Paid for all sick days accrued when employee is laid-off, retires or upon termination. This is at the employees option."

Admittedly, the City may pay for some unused sick days accrued pursuant to the above provisions, but at the same time, the City benefits from the services of those employees who did not use all of their sick days, thus avoiding additional wages or overtime in order to cover their positions when they did not work.

Vacations are provided for bargaining unit employees in Article 7 of the Contract. Payment for unused vacation days is addressed therein, as follows: "Employees hereunder must take 50% of their vacation during any calendar year and the remaining 50% of vacation may be carried over or be paid at the straight time rate of regular pay..." The maximum cost to the City for unused vacation is 50% of the time to which employees are entitled per year, but as with unused sick days, the City benefits from the

services of those employees who do not use all of their vacation days, thus avoiding additional wages or overtime in order to cover their positions when they did not work.

Article 8 of the Contract provides for a maximum of \$400.00 per year, paid by the City, "...to be used solely for uniforms and equipment for police officers and firemen", and that "a record shall be kept by City of all items purchased by City under said allowances and upon termination of employment of any employee hereunder and said item purchased by the City shall be the property of City and shall be returned to City..."

Of the "Fringe Benefits" set forth by the City in its written Position, there will be no increased costs to the City, over its present costs per employee in the below listed areas, regardless of whether the Union gets an \$800.00 increase or an \$1800.00 increase:

Health & Life Ins. - \$2,335.00 per year, per bargaining unit employee.

That premium became effective May 1, 1989, and will not be affected by a wage increase;

Unemployment Comp - \$180.00 per year, per bargaining unit employee.

The contribution rate is only computed on the first \$9,000.00 of earnings per employee. Additional wages will not increase the amount paid by the City.

Clothing Allowance - \$400.00 per year per employee in the classifications of patrolman and fireman, only.

Established in Contract. Will not increase as a result of a wage increase;

Phone Bill - \$288.00 per year per employee in the classifications of patrolman and fireman, only.

Not affected by wage increase.

The above annual costs to the City for each patrolman and fireman, totaling \$3,203.00, are currently being paid by the City and will not be affected by a wage increase.

Likewise, the annual costs to the City for each dispatcher, for health & life insurance and unemployment compensation, totaling \$2,515.00, are currently being paid by the City and will not be affected by a wage increase.

The following Employer costs will increase proportionately with any wage increase received, but are to be paid from the Police Pension Fund; Firefighters' Pension Fund and the Illinois Municipal Retirement Fund, respectively, and have no impact on the City's General Fund balance:

**Police Pension Contribution.**

The City is required by the Pension Code (Illinois Revised Statutes, Chapter 108 1/2, Paragraph 3-125) to annually levy a tax on all taxable property of the municipality at a rate which will produce an amount sufficient to fully fund the cost of the City's contribution to the Police Pension Fund for the year involved, plus the amount necessary to amortize the fund's unfunded accrued liabilities. Such tax levy is required to be in addition to the amount authorized to be levied for general purposes as provided in the Illinois Municipal Code. Subsequently, the City's increased contribution to said Police Pension Fund, as a result of a wage increase, regardless of the amount, will not have an impact on the City's General Fund balance.

**Firefighters' Pension Fund.**

The City also has a statutory requirement to annually levy a tax, in addition to the amount authorized to be levied for general purposes under the Illinois Municipal Code, to fully fund its contribution to the Firefighters' Pension Fund (Illinois Revised Statutes, Chapter 108 1/2, Paragraph 4-118). Subsequently, the City's increased contribution to said Firefighters' Pension Fund, as a result of a wage increase, regardless of the amount, will not have an impact on the City's General Fund balance.

**Illinois Municipal Retirement Fund (IMRF).**

Financing of the City's contribution to the IMRF is also regulated by the Pension Code (Illinois Revised Statutes, Chapter 108 1/2, Paragraph 7-171), which provides that the City levy a tax sufficient to pay its IMRF contribution, which shall be in addition to all other taxes which the City is authorized to levy. Subsequently, the City's increased contribution to said IMRF for dispatchers, as a result of a wage increase, regardless of the amount, will not have an impact on the City's General Fund balance.

The following paid leave days will increase proportionately with a wage increase, but not to the extent purported by the City:

**Two Weeks Vacation.**

Included in base salary;

**10 1/2 holidays plus birthday.**

Included in base salary;

8 ten hour sick days for Patrolmen,  
10 eight hour sick days for Dispatchers, and  
96 hours sick time for firemen.

Included in base salary; and

**5 personal days.**

Included in base salary.

The cost of the above paid leave time is not in addition to the base salary, as shown by the City in its written "Position", but is included in the base salaries of patrolmen, dispatchers and firemen. Any additional costs for payment of unused leave time, as permitted by the Contract, will be considerably less than the amounts shown by the City in its written "Position" and will be somewhat offset by the services rendered by bargaining unit employees in lieu of taking time off. Subsequently, the impact of payment for unused leave time on the General Fund budget will be considerably less than contended by the City.

Based on the foregoing, remaining items listed by the City in its written "Position" as additional employer costs per employee, which will increase proportionately with a wage increase, and is paid from the City's General Fund will be the City's additional cost for overtime and workers compensation for all bargaining unit employees and the City's contribution for social security for dispatchers.

The following has been prepared using the "average" figures shown by the City in its written "Position", for projections based on a \$500.00 annual increase and computing percentages based on those figures for "average" workers compensation contributions and "average" social security contributions to show the "average" increase in costs (emphasis added) for salary, overtime, workers compensation, and social security between the City's final offer of \$800.00 per year increase, and the Union's final \$1800.00 per year offer of settlement.

	<u>AVERAGES</u> <u>W/\$500</u> <u>INCREASE</u>	<u>AVERAGES</u> <u>W/\$800</u> <u>INCREASE</u>	<u>AVERAGES</u> <u>W/1800</u> <u>INCREASE</u>	<u>ADD. COST FOR</u> <u>\$1800 RAISE V.</u> <u>\$800 INCREASE</u>
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PATROLMEN:

SAL	20,627.62	20,927.62	21,927.62	1,000.00
WC	1,625.00 (7.88%)	1,649.10	1,727.90	78.80
OT	4,500.00	4,800.00	5,800.00	<u>1,000.00</u>
				<u>2,078.80</u>
7 patrolmen X 2,078.80 = 14,551.60 (Total increased costs)				

DISPATCHERS:

SAL	16,050.00	16,350.00	17,350.00	1,000.00
WC	325.00 (2.0249221%)	331.07	351.32	20.25
SS	1,543.30 (9.6155763%)	1,572.15	1,668.30	96.13
OT	4,500.00	4,800.00	5,800.00	<u>1,000.00</u>
				<u>2,116.38</u>
5 dispatchers X 2,116.38 = 10,581.90 (Total increased costs)				

FIREMEN:

SAL	20,109.83	20,409.83	21,409.83	1,000.00
WC	2,113.54	2,145.07	2,250.17	105.10
	(10.51%)			
OT	4,500.00	4,800.00	5,800.00	1,000.00
				<u>2,105.10</u>

6 firemen X 2,105.10=12,630.60 (Total increased costs)

The total of the averaged increased costs, for an \$1800.00 annual wage increase for each of the 18 employees in the three aforesated classifications, over the cost of an \$800.00 wage increase, in addition to unchanged costs and costs which are to be paid from funds financed by separate tax levies, is \$37,764.10. That figure is less than the \$38,152.24 the City purported in its written "Position" as the total increased costs for the same employees predicated on a \$500.00 annual increase, and included in the fiscal year 1989-90 budget before it was known that the City would be receiving approximately \$172,000.00 in additional revenues for each of the next two years. The major difference is that, in its written "Position", the City was erroneously adding the full amount of wages for all paid leave time, which is a part of the annual salary, and adding its IMRF, Police and Firefighter Pensions contributions, which are required by Statute to be fully compensated by separate tax levies.

Subsequently, I find no basis for construing that the City does not have the financial ability to meet the costs of the \$1800.00 per year wage increase for bargaining unit employees sought by the Union.

A comparison of wages and fringe benefits paid by the City of Benton and three other municipalities to their patrolmen clearly shows that the other municipalities are paying their patrolman considerably higher wages than is the City. The comparison was made between the City and the Cities of West Frankfort, Harvard and Chillicothe, all of which are comparable in size. West Frankfort is located in the same County as the City and is approximately six-miles to the south. Harvard is located in McHenry County and Chillicothe is located in Peoria County.

Fringe benefits between the four municipalities is comparable. However, there is considerable disparity between the wages. The beginning annual base wages for the City, shown in the Contract (Joint Exhibit 1) is \$16,978.46. Beginning annual base wages for West Frankfort is \$15,600.00, for Harvard they are \$17,992.00 and for Chillicothe, the annual base wages for probationary employees is 18,532.80. Chillicothe also has beginning annual wages shown for Patrolman II, at \$19,926.40 and for Patrolman I, at \$21,112.00. Of those four municipalities, West Frankfort begins its patrolman at the lowest annual base wages. However, after three months of employment, West Frankfort patrolmen are raised to an annual base wage of \$22,006.40, which is more than a patrolman employed by the City is paid after 15-years of employment. After six months of employment, City of Harvard

patrolmen are paid an annual base salary of \$20,800.00, and after one year they are raised to \$23,384.00, also more than the City pays its patrolmen after 15 years of employment. At each step of the respective salary schedules of the four municipalities, with the exception of the first three months of employment, the City's patrolmen are paid less than patrolmen employed by the other three municipalities by amounts ranging from more than \$2,000.00 annually to more than \$4,000.00 annually.

After 15-years of employment, the four municipalities pay their patrolmen annual base wages as follows: Benton-\$21,678.93; West Frankfort-\$25,307.36; Harvard-26,707.20; and Chillicothe-\$23,691.00.

Based on the foregoing, I find that the wage increase sought by the Union is not excessive, would bring bargaining unit employees more in line with similar employees of other municipalities of comparable size, and is within the City's means to finance.

AWARD

The annual base wages for bargaining unit employees of the City, in the classifications of patrolmen, dispatchers and firefighters, for the period of May 1, 1989 through April 30, 1990, shall be increased by \$1,800.00 each, retroactive to May 1, 1989.

The final offer of the Union is herewith sustained.

  

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Flora Reilly, Arbitrator