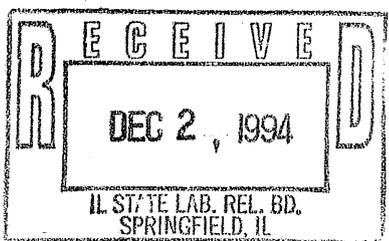


#106

ILLINOIS STATE LABOR RELATIONS BOARD
INTEREST ARBITRATION



KENDALL COUNTY and KENDALL COUNTY)
SHERIFF'S DEPARTMENT ("Employer"))
)
)
and)
)
ILLINOIS FRATERNAL ORDER OF POLICE)
LABOR COUNCIL ("Union"))

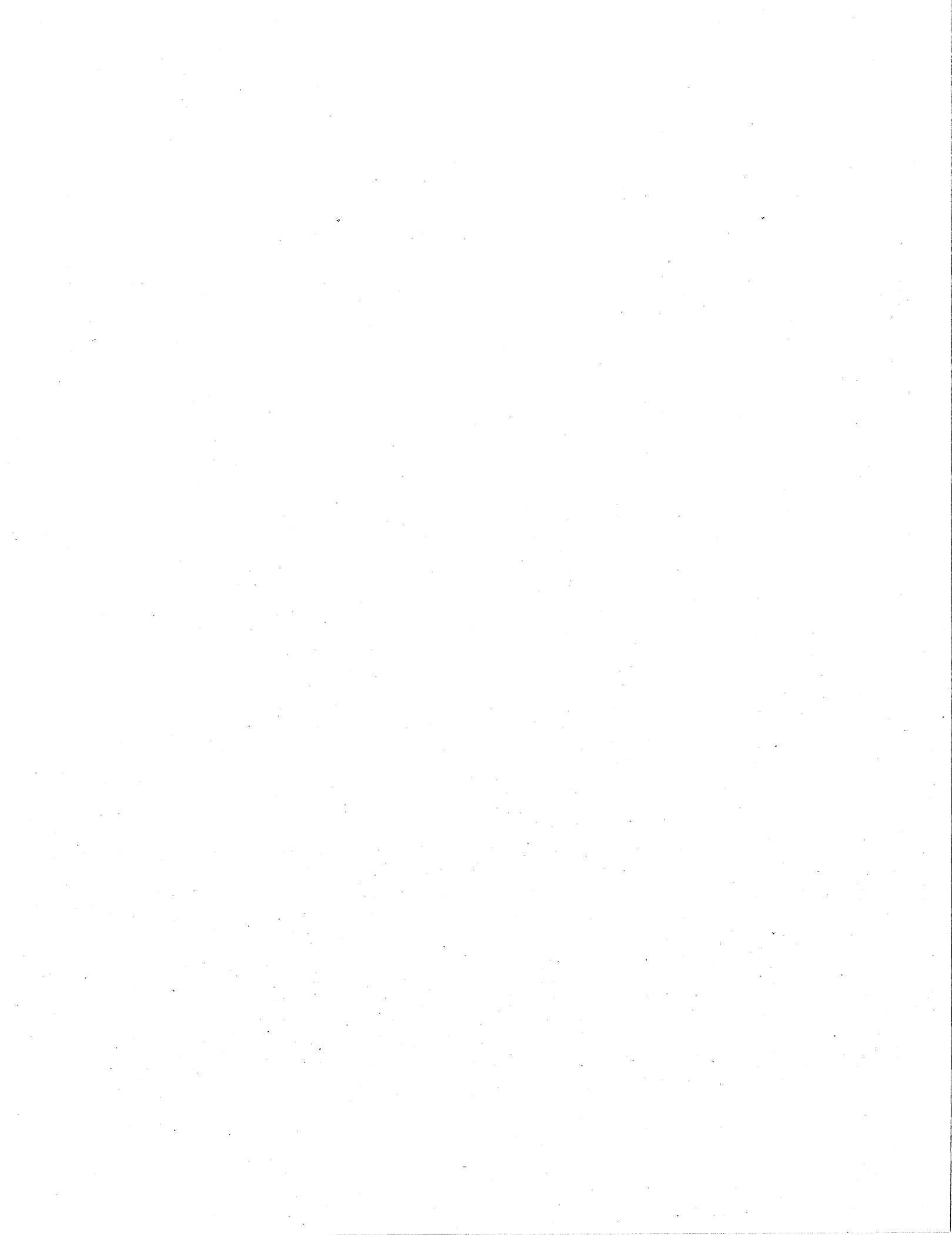
Arb. No. 93/129
ISLRB Case Nos. S-MA-92-216
and S-MA-92-161
Before Elliott H. Goldstein,
Arbitrator

APPEARANCES:

On Behalf of the Union: Thomas F. Sonneborn
Legal Director

Becky S. Dragoo
Legal Assistant

On Behalf of the Employer: Bruce C. Beal
Claudon, Lloyd, Barnhart & Beal, Ltd.



I. Introduction

This proceeding arises under Section 14 of the Illinois Public Labor Relations Act, to resolve bargaining impasses in three separate units of deputies, corrections officers, and sergeants and lieutenants. The parties agreed to consolidate the three disputes into a single hearing, which was held on May 9, 1994 at the Public Safety Center, 1102 Cornell Lane, Yorkville, IL at 9:30 a.m. The undersigned Arbitrator was duly appointed by the parties to render a final and binding decision in this matter, the parties having waived the requirement of the IPLRA for a tri-partite panel of arbitrators and having agreed to proceed with a single arbitrator. The parties stipulated that the Arbitrator has the full authority and jurisdiction accorded to him by the IPLRA, including, but not limited to, the authority to adopt as his award the final offer of either party as to the issues in dispute, and the authority to issue an award providing increases in wages and other forms of compensation, retroactively effective to December 1, 1992. At the hearing the parties were afforded full opportunity to present such evidence and argument as desired, including an examination and cross-examination of all witnesses. By stipulation of the parties, evidence was presented and accepted in both narrative and witness format. Pursuant to the parties' waiver of their right to a formal transcript, no formal transcript of the hearing was made, but the Arbitrator preserved the record by tape recording what was said, for preservation of the record through audiotape. Both parties filed post-hearing briefs, which were received on July 11, 1994.

II. The Issues

In their written Pre-Hearing Stipulation, the parties agreed on the following description of "the two economic impasse issues which have been referred to interest arbitration":¹

- i) Wages for fiscal year 1992, 1993, and 1994 for the employees in the three bargaining units;
- ii) The language of the parties' agreements regarding health insurance for each of the three bargaining units.

The parties also agreed at hearing that their prior tentative agreements on all matters other than wages and health insurance, set forth in their Joint Exhibits 1 (corrections officers) and 2 (deputies, and by analogy, sergeants), should be included by the Arbitrator in his award. The parties further stipulated that in the event the County decides to fill the position of lieutenant, the parties will meet to negotiate the wages, hours and working conditions for that position.

III. The Parties' Final Offers

The Union's final offer on wages is (a) for deputies and corrections officers, raises of 4% per year effective December 1, 1992, 1993, and 1994, at all steps, and the addition of new longevity steps: a step for 5 to 7 years of service effective December 1, 1992, a step for 7 to 9 years of service effective December 1, 1993, and a step for 9 to 11 years effective December 1, 1994 and (b) for sergeants, regardless of years of service, a salary of \$4000.00 more than the highest salary for deputies. The County's final offer calls for raises in all three units of 2.5%

¹ In its post-hearing brief, the County lists three issues, treating the issue of sergeants' pay as an issue separate and distinct from the deputies' and corrections officers' wages. However, the parties' pre-hearing stipulation that treated wages for all three units as a single issue has not been not modified by the Neutral, as will be developed below.

at the beginning of the first year of the contract, and 3.5% at the beginning of the second and the third years of the contract, and the addition of a longevity step for 7 to 9 years of service effective December 1, 1992, and a longevity step for 9 to 11 years of service effective December 1, 1993.

On health insurance, the Union proposes that the County pay the full premium for single employee insurance coverage for the entire contract term. The County proposes that it pay the full premium for single employee insurance coverage until December 1, 1994, and effective December 1, 1994, the County shall pay up to \$161.24 per month for single employee coverage under the HMO Plan and up to \$178.04 per month for single employee coverage under the PPO Plan, and 50% of any increase in the premiums to be charged for single employee coverage after December 1, 1994, with the employee paying the other 50% of the increase. Under both proposals, the employee is responsible for the costs of any dependent health insurance coverage that they elect.

IV. Discussion and Findings

A. Background

Kendall County, in northeastern Illinois, has a population of 39, 413 (1990 census) and an area of 324 square miles. The Sheriff employs 20 patrol deputies in the Patrol Deputies bargaining unit, 15 full-time sworn correctional officers below the rank of sergeant in the Corrections bargaining unit, and seven Sergeants in the Patrol Division, in the Sergeants bargaining unit.

The County has had three prior collective bargaining agreements for the Patrol Deputies Unit, which covered all patrol deputies. In October 1991, the parties began negotiations for their fourth contract. At the same time, they began negotiations for the first collective bargaining agreement to cover a new unit of correctional employees, most of whom were hired after the completion of a new public safety facility that houses the Sheriff's Department and the County Jail. The parties subsequently agreed to a separate bargaining unit of patrol deputies at the ranks of sergeant and lieutenant, and agreed that the non-wage terms of the Patrol Deputies would be incorporated into a separate contract for the Sergeants (and Lieutenants) Unit.²

The County has one other bargaining unit, the dispatchers and telecommunicators of Ken-Com, the emergency communications operation linking the County's emergency services. The County recently negotiated the first collective bargaining agreement for that unit, which is represented by Teamsters Local 673.

B. Analysis: Wages

The starting point for any interest arbitrator must be the mandates of Section 14 of the Illinois Public Labor Relations Act:

- (g) As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in subsection (h).

- (h) Where there is no agreement between the parties, . . . and wage rates or other conditions of employment under the proposed new or amended

² The position of Lieutenant has been vacant for some time. The parties have not submitted proposals for the wages of Lieutenants, but that they shall meet and negotiate the wages, hours and working conditions for Lieutenants if and when the County decides to fill that position.

agreement are in dispute, the arbitration panel shall base its findings, opinions and order upon the following factors, as applicable:

- (1) The lawful authority of the employer.
- (2) Stipulations of the parties.
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (A) In public employment in comparable communities.
 - (B) In private employment in comparable communities.
- (5) The average consumer prices for goods and services commonly known as the cost of living.
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, and 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.

The Act does not require that all of these criteria be considered, but only those that are "applicable." Nor does the Act specify the weights to be given each factor. However, after

considering the applicable factors, the Arbitrator must adopt for each outstanding issue either the County's or the Union's proposal.

1. Comparable Jurisdictions

The crux of the parties' dispute in this matter is the Union's contention that Kendall County, though once thoroughly rural, is increasingly an integral part of the urban and suburban economic market of the Chicago Consolidated Metropolitan Statistical Area (CCMSA), and its employees should be compensated at levels approaching those of the other counties in the CCMSA.³ The Employer, however, contends that it remains rural and that its compensation proposal appropriate for counties of similar size and other characteristics.

Thus, in the terms of the IPLRA, the parties have focussed most of their arguments on the issue of the comparability of the three bargaining units at issue with similar employees of other counties.⁴ The Union contends that because of geographic proximity and various economic trends, Kendall County must be considered comparable to the counties in "the metropolitan region of northeast Illinois," defined by the Union as including the counties of the CCMSA (Cook, Lake, McHenry, Kane, and Will) and Kankakee, Grundy, Boone, DeKalb, LaSalle and Winnebago Counties.⁵ The Union contends that these eleven counties form the labor market for Kendall County employees, in that two-thirds of the workforce living in Kendall

³ The counties in the CCMSA, according to the U.S. Office of Management and Budget, are Cook, Lake, McHenry, DuPage, Will, Kane, and Kendall.

⁴ Neither party has submitted data on comparable private sector employees.

⁵ Of these counties, DuPage, Will, Grundy, LaSalle, Kane and DeKalb border Kendall.

commute to other counties, primarily Cook, DuPage and Kane Counties, while one-third of those working in Kendall commute into Kendall from the nearby counties. This group of counties includes those with the highest median home values in the state, the highest median household income, the highest per capita income and the highest growth projections, with Kendall "right up among the top six counties" by each measure, according to the Union exhibits. Based on these and other demographic and economic measures, the Union asserts that Kendall is well within the range of its "comparables," and on a par with Cook, DuPage, Lake, McHenry, Will and Kane. Although Kendall is much smaller by population than most of these counties, the Union concedes, it contends that Kendall County is nonetheless indistinguishable from them for our purposes, particularly in light of the clear economic trends showing its transition from a rural to a metropolitan economy.⁶

The Employer on the other hand has identified ten indisputably rural counties as comparable to Kendall: Stephenson, Ogle, Lee, Bureau, Grundy, McDonough, Fulton, Morgan, Christian, Jefferson, and Franklin. Of these, only Grundy is contiguous to Kendall and recognized as comparable by both parties. Ogle, Lee, and Bureau are adjacent to Dekalb and/or

⁶ According to one publication of the Kendall County Economic Development Commission:

The Kendall County population has increased from 26,372 in 1970 to 37,202 in 1980 and to 39,413 in 1990. Further it is estimated by the U.S. Census Bureau and the Illinois Bureau of the Budget that the county will nearly double its current population by 2010. The total labor force in Kendall County increased by 13½% between January 1985 and January 1989 and by a very solid additional 4% between January 1989 and July of 1989 alone.

Between 1990 and 1993 alone, the equalized assessed valuations jumped from \$452.7 million to \$595 million, the Union stressed.

LaSalle, which in turn border Kendall, and Stephenson is just beyond Ogle, but the rest of the County's "comparables" are, to say the least, far-flung. According to the Employer, they were chosen "based primarily on similar populations, similar operational levels and, to a degree, geographic proximity to Kendall." "Operational levels" were measured in terms of square miles patrolled per deputy, average response time, budget dollars per square miles patrolled, total annual budget, average jail population and the ratio of correction officers to prisoners.

Each party vigorously assails the other's choice of comparable counties, other than Grundy, which was chosen by both, the record reveals. The Union points out that the Employer did not follow its own guidelines, since there is no apparent pattern or relationship among its designated comparable counties, even in the factors cited. It asserts the Employer "cherry picked" the comparables when it omitted without explanation several counties that appear to be within the ranges it used. Geographic proximity was completely disregarded, and most important, the population range used, the Union also asserts, was selected arbitrarily to permit the Employer to do more "cherry picking" among the State's smaller counties. To the Union, the overall picture among even the Employer's choices was thus skewed by careful but unfair selection of external comparables, in contravention of the statutory intent and the actual requirements of the Employer's self-selected guideposts for the grouping and comparison of "similar counties" to "rural" Kendall County.

The County, on the other hand, points out that all of the Union's comparables, other than Boone and Grundy, have at least twice as large a population as Kendall, with Cook (population

5.1 million), DuPage (population 780,000), and Lake (population 516,000) grossly disproportionate to Kendall.⁷ The County also notes that Lee and Bureau Counties, which the Union omitted, are geographically closer to Kendall County than is Lake County, which the Union included, and that Stephenson and Ogle Counties, which the Union omitted, are closer than Winnebago and Boone Counties, which the Union chose. The County also asserts that CCMSA's are merely "an artificial statistical creation" and that inclusion in the Chicago CMSA creates no special relationship between Kendall and the Chicago area counties. There is no reason, according to the County, to find any relevant similarities among those counties as employers of sheriff departments' employees.

In this case, both parties' contentions have some merit. Neither has made the mistake of the Union in City of DeKalb and DeKalb Professional Firefighters Assn. Local No. 1236, I.A.F.F., No. S-MA-87-26 (Goldstein, 1988), of choosing too small a comparative group. As I stated in that case:

. . . .Accurate comparabilities are the traditional yardstick of looking at what others are getting and that in turn is of crucial significance in determining the reasonableness of each party's respective final offer. . . .

Generally speaking, the neutral chairman notes that it is very unusual to use the extremely narrow and limited universe proposed by the Union as the only point of comparison in cases similar to the one in dispute here, at least in the chair's experience. Of course, there are communities that are so alike that a strong

⁷ The population figures for all of the counties cited as comparable by the Union or the Employer, or both, are: Cook (pop.5.1 million)(Union comparable("U")), DuPage (782,000)(U), Lake (516,000)(U), Will (357,000)(U), Kane(317,000)(U), Winnebago (253,000)(U), McHenry (183,000)(U), LaSalle (107,000)(U), Kankakee(96,000)(U), DeKalb(78,000)(U), Stephenson (48,000)(Employer comparable ("E")), Ogle (46,000)(E), Franklin (40,000)(E), Kendall (39,000), Fulton (38,000)(E), Jefferson (37,000)(E), Morgan (36,000)(E), Bureau (36,000)(E), McDonough (35,000)(E), Christian (34,000)(E), Lee (34,000)(E), Grundy (32,000)(U/E), Boone (31,000)(U).

cluster can obviously be developed through spreadsheet analysis or otherwise. For example, the communities on the North Shore in the Chicago area really do form a natural cluster for comparison. Aside from such peculiar situations, where the geography and the market place for competing employment is so obvious, it seems peculiar that the Union would focus on communities which are physically so far apart as being part of the relevant employment market place as a yard stick for comparison for salaries and overall compensation.

However, noting that "the fact of geographic proximity as important for labor cost comparability cannot be so completely discounted," I rejected both the City's effort to compare itself only to

cities totally outside the Chicago metropolitan area, or completely geographically removed from DeKalb County, and the Union's effort to look only to five widely separated university towns. See also City of Southfield, 78 LA 156-157 (Roumell, 1982).

I reach a similar result here. There is simply no basis, geographic or otherwise, to take as comparable to Kendall the non-contiguous counties of Cook, Lake, McHenry, Boone or Winnebago, from the Union's list, which have in common none of the "guideposts" of similar populations, similar operational levels, similar per capita income, or similar equalized assessed property valuations (E.A.V.), I note. However, based on the reasoning of DeKalb, the counties of McHenry, DuPage, Will, Grundy, LaSalle, and DeKalb, which surround Kendall, form the nucleus of a "job market" cluster relevant to Kendall County, at least by the guidepost of geographic proximity and the proofs concerning where residents of Kendall County work. Kankakee, though not contiguous with it, bears sufficient economic similarity to Kendall that it may appropriately be included, I hold. Compare City of Peoria and the Peoria Firefighters, IAFF Local 544, ISLRB Case No. S-MA-92-067 (Feuille, Neutral Chair, 1992) at pps. 22-25, for an analysis of the "customary practice" of interest arbitrators in Section 14 arbitrations with

regard to use and delineation of fair external comparables, with Village of Westchester and IL Firefighters Alliance, Council I, S-MA-89-93 (H. Berman, 9-22-89) ("comparability, the fourth factor, is the most important factor to arbitrators.")

Similarly, there is no basis for resorting, as the Employer has, to McDonough, Fulton, Morgan, Christian, Jefferson, Franklin or Stephenson, to describe an "employment market place" relevant to Kendall County. As the various charts submitted by the Employer illustrate, however, there is a basis for clustering these counties with Kendall based on population, E.A.V., and operational levels of the current Sheriff's workload, if the data would have been fully available, I note.

It would seem to the Neutral Arbitrator, although both the Union and County advocates may disagree, that comparables are not to be a pick and choose situation. Instead, some consistency in comparisons should be made in order to serve as a more exact guide in reaching the most realistic result pursuant to the intent of the Statute. Thus, the Union's suggestion that the geographic area and distance among comparables is important, is certainly true, as is Kendall County's inclusion in the Chicago CCMSA and the explosive rate of growth in the E.A.V. for the last four years and its per capita income. However, the Employer's suggestion that the operational levels, as defined above, as well as actual level of E.A.V., annual budget, and population are also traditionally viewed as important, too. The point is to get comparables of similar size and rank, but also for economic comparability and for an evaluation of the actual potential job market to be made, for a fully proper comparison that is, in this instance, at least, not to be divorced from common sense.

On the other hand, both parties recognize that Kendall County, although in the midst of an upward and urbanizing economic trend, comes only recently from rural roots. Interest arbitration is not supposed to revolutionize the parties' collective bargaining relationship; the most dramatic changes are best accomplished through face-to-face negotiation. Rather than shift the basis of statutory comparison for Kendall County entirely toward what appears to be an increasingly metropolitan future or to rely solely on "labor market factors," it is also appropriate at least as of the current time to include in the economic cluster counties representative of the rural economic roots from Kendall's relatively recent past, I hold. This mix will best reflect Kendall's current straddling of the rural-metropolitan divide. The County's comparison group includes three counties, Bureau, Lee, and Ogle, which, while not contiguous, are within reasonable geographic proximity to Kendall, and bear strong economic and operational similarities to Kendall. These three counties will also be included in the comparison group.⁸

Thus, I find that the appropriate universe for comparing the parties' final offers consists of the following ten counties: Bureau, DeKalb, DuPage, Grundy, Kane, Kankakee, LaSalle, Lee, Ogle, and Will. From any viewpoint, these comparisons seem proper as they represent counties that most equal Kendall County in many of the critical factors referred to me in the parties' respective briefs. When utilizing comparables, I will, for the reasons stated, rely on the aforementioned counties.

⁸ In fact, because of the lack of salary data from Ogle and Bureau Counties on the 1993 and 1994 fiscal years, and Kankakee's placement in the low-middle of the group's salary rates, the inclusion of the four non-contiguous counties has little impact on the comparisons to be drawn among the salaries and salary increases in the comparable counties and in the parties' final offers for Kendall.

When the salaries paid by these counties to their deputies, corrections officers and sergeants for fiscal years 1992, 1993, and 1994, where those figures are available,⁹ are compared to the relevant salaries in the Union's and the County's proposals, the results are surprisingly and disturbingly consistent: the salaries to be paid by Kendall under either proposal overwhelmingly rank among the lower half, and in some instances, the lowest third, of the counties' salaries. The rankings are set forth on the attachment which is made a part of this Opinion and Award.

In other words, the range at the lower end of the salary structures in these counties is wide enough, and the Union and Employer proposals close enough, that neither proposal will impact the County's standing among the comparable counties, as I have constructed the basic cluster. See the attachment for detail on this point. Even the most striking difference between the parties' final offers, the Union's demand that the sergeants' salary structure be changed to a seniority-independent salary pegged at \$4000 above the highest salary for a deputy, does not significantly alter Kendall's ranking among the comparable counties.¹⁰ A comparison with the salaries of deputies, corrections officers, and sheriffs in these counties does not directly or clearly favor either party's final offer, except to show the low compensation for these County

⁹At the time of the hearing, there was no data on the 1993 and 1994 fiscal year salary levels for similar employees in some of the comparable counties, usually because those counties were still in the negotiation or arbitration process as well. These "gaps" in the data hinder comparison, particularly for the last year of this contract, but still reflect Kendall's persistent ranking in the lower half of the comparison group.

¹⁰ One of the comparable counties, Grundy, also has a single salary rate for its sergeants. Even under the Union demand, Kendall's sergeants would be paid less than Grundy's.

employees, in any event, relative to the comparables I believe most applicable and fair for purposes of these comparisons.

Second, although at least one arbitration panel has held that dollar-to-dollar comparisons are most appropriate when considering external comparabilities,¹¹ percentage comparisons are not entirely irrelevant. The comparison suffers from the same sparsity of data as the dollar-to-dollar rankings, exacerbated by the fact that some bargaining units (notable Lee County deputies and some Grundy County corrections employees) received flat dollar amount increments, so that the percentage increase varied within the salary structure. However, it appears that percentage increases ranged widely for all three bargaining units, from a 2.0% increase for Bureau County deputies in 1992 (by far the lowest percentage increase noted), to a high of 8.9% in 1993 for Will County deputies. DuPage County deputies and corrections employees received increases of 8.2% in 1993. Otherwise, percentage increases ranged from 2.0% to 4.0%, with the largest cluster between 3.0% and 4.0%.¹² Thus, the percentage comparison favors neither final offer,

¹¹ In City of Springfield and Policemen's Benevolent and Protective Assn., Unit No. 5, No. S-MA-89-74 (1990)(Benn, Neutral Arbitrator), it was observed, at fn. 23:

We believe that in this case the most appropriate method for making comparisons is to utilize a dollar-for-dollar comparison for external comparables and a percentage-to-percentage comparison for other Springfield employee groups. The dollar-for-dollar comparison with Police units in externally comparable communities is more of an "apples to apples" comparison--i.e., we are comparing Police Officers with Police officers in similar communities. Therefore knowing precisely what Police officers are paid and making relative comparisons can be accomplished.

¹² DeKalb and Kane Counties both gave some or all of their similar employees raises of 4.0% in 1993 and 1994. Kane's more senior employees received raises of approximately 3.7% each year.

since both are in "the universe" of what is being given in the comparables with regard to percentage raises.

"Internal comparability," the comparison between the Sheriff's Department employees at issue here and other County employees does not clearly favor either proposal, I also rule. Although the Union offered evidence that County Commissioners voted themselves raises of 23%, the Commissioners are paid "per diem"-type rates, and the calculation of 23%, apparently by a local journalist, who based on the assumption that the Commissioners would attend all scheduled Board and Committee meetings. The reasonableness of this assumption is unclear from this record. More important, the sums involved were in fact quite modest, and the role and duties of the Commissioners so far from those of salaried full-time law enforcement employees, that effective comparison is impossible. See my award in City of DeKalb and DeKalb Professional Firefighters Assn., supra at pp. 26-27.

Non-bargaining unit employees received an increase during the 1992-1993 fiscal year of 2.5% and in the 1993-1994 fiscal year of \$800, or, according to the Employer, approximately 3%. Comparison with these figures would appear to favor the Employer's offer. However, the KenCom employees, the County's only other unionized group or bargaining unit, received increases of 4.9% in the first year of their initial contract and 5% in the second year. Although the Employer correctly notes that the KenCom employees do not have longevity steps, the evidence on internal comparability is nonetheless equivocal and favors neither final offer, I must finally conclude, from my reading of this voluminous record. The comparison of "unionized" employees with no longevity steps and non-unionized employees with established pay programs presents sufficient problems, as applied to these three units, that I am not sure an "apples to

apples" comparison as far as the internal comparables goes is possible for this particular contract period, I rule. See City of DeKalb, supra at pp. 27-28.

2. Other Factors

It is at this point that the other factors cited by the parties become particularly relevant. The Union insists that there are employees leaving the Sheriff's Department to go to work in their chosen field in the same job market or contiguous areas and that this is caused by a gross disparity of pay. This disparity reflects Kendall's failure to keep pace in its employees' salaries with its explosive economic growth, and thus, says the Union, it is time to give the bargaining unit employees large enough increases to begin to close the gap between the salaries of Kendall and comparable employers both in and out of the County. In fact, although interest arbitration is intended to be a fundamentally conservative tool, preserving the parties' status quo while eschewing dramatic bargaining "break-through," the Union's argument in this case has some merit. Most significantly, it should be noted that there is evidence that Kendall's low ranking has had a concrete impact on the bargaining unit with regard to the loss of professional "sworn peace officers" to other employers in the geographic area.

During the five years from 1988 through 1993, 12 deputies (out of a department of twenty) left their employment with the Kendall County Sheriff's Department, the evidence shows. Of these twelve, six joined the Oswego Police Department, and four more took other law enforcement jobs.¹³ Thus, it must be said that Kendall's relatively low salaries for deputies has resulted in significant turnover in the Sheriff's Department. This turnover, causing the Department to lose the benefit of training and experience that it has imparted to its employees,

¹³

Oswego is one of the four incorporated municipalities in Kendall County.

is contrary to the public interest, the Union asserts. Although there may be significant public interest in minimizing County expenditures and stretching tax dollars, the persistent and relatively high turnover of deputies is detrimental to the public welfare, it also argues.

I agree that a more stable workforce allows the County to reap the full benefit of its expenditures for training and the experience the County has provided, and that this "loss" of experienced employees may be part of the last relevant factor under Chapter 48, par. 1614(h)(8), Ill.Rev.Stat., quoted above. Although the Union's wage proposal over the three years, 4% per year, may not drastically change the County's ranking among the comparable cluster, it does narrow the gap between the wages available from nearby counties (and, apparently, from Oswego) and those available with the County. Given the modest difference in cost between the two proposals, when compared with the County's annual budget, the interest and welfare of the public favors the Union's proposal, I rule.¹⁴

Each party has had recourse to cost of living data to justify its offer and discredit the other party's. According to the Union using the Consumer Price Index for Chicago for all Urban Consumers (CPI-U), by March 1994, the bargaining unit employees had lost almost 6.5% of their purchasing power just as a result of increases in the cost of living since December 1, 1991, and the 12% that it proposes over the three-year contract is only a 6% increase in real purchasing power, and the 9.5% offered by the Employer is in effect only a 3.5% increase. The Employer, on the other hand, uses the Consumer Price Index for Wage Earners and Clerical

¹⁴ Indeed, there is no dispute about the Employer's lawful authority or ability to pay either the wage increase that it proposes or the larger increase proposed by the Union. These factors favor neither proposal. It is notable that Kendall's Sheriff has consistently spent less than his budget, even with the opening of the new Public Safety Facility.

Workers (CPI-W), and finds that the employees have lost 7.6% of their buying power by April 1994, but contend that its 9.5% increase is more than enough to offset this increase and that the Union's proposed increase "is not necessary from a standpoint of keeping up with the cost-of-living as measured by CPI-W," particularly when an employee's progression through longevity steps also is considered.

Although I have considered the relevant cost-of-living data, as mandated by the Act, I find that it may not significantly favor either proposal, since either is within the "zone of reasonableness" discussed by me in City of DeKalb, supra, at pp. 13-14 and, in the context of ability to pay, by Arbitrator Roumell in City of Southfield, supra, at p. 155. I also conclude that the cost-of-living calculations, no matter which CPI is used, are only rough approximations of what in fact occurred relating to the cost-of-living in this particular county "and that is all they can ever be." See my discussion of this dilemma in City of DeKalb, supra, at p. 31. Moreover, if, for example, no deputy, no sergeant and/or no corrections officer purchased a home during the period under review, "the single most significant factor in the increase in CPI would not have had any impact on the particular unit." Ibid.

All this is by way of saying that while this Neutral does not believe cost-of-living can exclusively control an interest arbitration, albeit it is certainly one factor in any fair assessment of a final offer. In this instance, cost-of-living increases are most clearly in line with the Union offer, I find, and favors its acceptance, because the Employer's tool of comparison the CPI-W described above, does not recognize at all the partial transformation of Kendall County away from a rural setting and into part of the "collar" counties to Chicago and also because the

comparables as analyzed by me (see the attached chart) permit a "catch-up" wage package, I hold.

These determinations of the reasons for the need to catch-up and the appropriateness of doing so now, are certainly the most critical made by me throughout the entire analysis and discussion, as I see it. I wish to emphasize that the evidence as to the need to catch-up is developed to a substantial degree by the analysis of the comparables; more so by the loss of employees in the deputies unit to other law enforcement entities; and also through the CPI-U data which favor the Union's offer. All of this data provide strong support for the Union's offer and very little support for the County's offer. See the discussion of Arbitrator Peter Feuille, Chair, in City of Peoria and the Peoria Firefighters, IAFF Local 544, supra, ISLRB Case No. S-MA-92-067 (1992), at pp. 23-24, where Arbitrator Feuille spelled out the "downstate/Chicago area" difference on economic issues that has developed in Section 14 arbitrations. The "general agreement" among arbitrators mentioned by Feuille to divide the analysis of comparables and the CPI cost-of-living data between the Chicago Metropolitan area and "downstate" does not fully work when Kendall County is not absolutely one or the other anymore, I reiterate.

I also find cost-of-living analysis of the County based on the CPI-W is far outweighed by the observation that, regardless of the relationship of the salary increases to increases in the cost-of-living, the steady stream of employees to law enforcement jobs in other jurisdictions suggests the necessity for achieving some parity of salary level with neighboring counties and the City of Oswego.

A final dimension should be mentioned. Because the record discloses the E.A.V. has skyrocketed over the last few years, and will, from all the persuasive data, likely continue to do

so, the external comparables developed by me as the fairest and most realistic "cluster" may already be dated by the issuance of this award. Certainly, to the extent that this growth in population and E.A.V., and perhaps further upward moves in the already high per capita income, does materialize in the near future, the need for catch-up, if not started now, will be even greater, as the Union suggests. The evidentiary support for the County's offer becomes more seriously eroded, if all the trends and factors showing a movement away from the rural basis of Kendall County are therefore put into perspective, although I realize that, for these purposes, the economic data across-the-board must of necessity be a "snapshot" of the particular point in time when all the available data is compiled and analyzed in spread sheet fashion and submitted for this record. I so rule.

I also take notice of the very recent increases in interest rates by the Federal Reserve Bank, which suggest that the pattern since 1991 of fairly low cost-of-living increases may not hold through the end of this contract. It is also to be remembered that greater output is one basic way to justify greater compensation, whether the productivity increase occurs for private or public sector employees. That factor clearly favors the Union, I find.

It should be noted that the Sheriff's Department's workload has apparently increased significantly with the opening of the new Public Safety facility. In 1991, 906 prisoners were booked. In 1993, 1706 were booked, an increase of over 88% in two years. The figures offered at the hearing establish a projection of 2244 bookings in 1994, an increase of more than 30% over 1993, and almost 150% over the 1991 level. This increase in productivity tends to favor the Union's demand, and is another important clue as to the direction in which all data is pointed.

Thus, when all of the relevant factors are considered, I believe a basis for "catch-up" has been established, as the Union has so strongly argued. The Union's final offer on wages is thus more reasonable and equitable than the Employers, and I so find. That offer is therefore adopted by the neutral and will be included in the award below.*

C. Analysis: Health Insurance

The Union contends that because the bargaining unit employees' wages are so low, they should not be required to pay any portion of the premium for single employee health insurance coverage.¹⁵ At the moment, the Employer pays the entire cost of coverage for corrections officers, but not for deputies and sergeants. The Employer should not be granted a "breakthrough," the Union contends, that would permit it to impose a new cost on the corrections employees and treat them on a par with the other County bargaining units, deputies and sergeants, when it was unable to achieve this through collective bargaining.

The Employer notes the rising cost of health insurance and observes that the deputies and sergeants had already agreed to share the cost of individual health insurance coverage in their last collective bargaining agreement, once that cost exceeded specific caps.¹⁶ In fact, the

¹⁵ Under both demands, the employee pays the entire cost of family coverage, if it is elected.

¹⁶ That contract provides:

Employer's obligation shall be the cost of the single employee coverage under the traditional plan or one hundred ten dollars (\$110) per month, whichever is lower. Those employees who elect to participate with the HMO Plan shall pay the difference between the cost of the plan and the HMO Plan.

Employer has voluntarily absorbed the premium payments above the cap to date. However, the principle of the cap has been negotiated and established, the Employer insists.

Having already agreed to cost-sharing, the Union should not be permitted to take advantage of the Employer's "voluntary generosity" under the prior contract to take back the cost-sharing agreement now, the Employer submits. I agree. Although the corrections unit has not yet been required to contribute to single employee coverage, the Employer explains that this is an artifact of the bargaining history. The corrections unit is a new unit, negotiating its first contract, and the Employer believed that it could not lawfully impose cost sharing on the unit in the midst of collective bargaining. The corrections unit and the units of deputies and of sergeants are directly comparable, and should be subject to the same health insurance structure, as the County has demonstrated, I find. Further, I cannot find a "breakthrough" for the County on the principle of "caps" when the prior contract reflects an arms-length agreement for them, through the negotiating process. I so rule.

On this issue, the Employer's offer is also the more equitable, I conclude. Among the comparable counties, four do not require cost-sharing. Kane and Kankakee require employee contributions of \$240 per year, Grundy requires \$660 per year, and DuPage requires \$636. Lee County reserves the right to offer health insurance on the same terms, including possible cost-sharing, applicable to non-bargaining unit employees. Thus the external comparisons favor the Employer's cost-sharing proposal, I particularly find.

Next, I turn to the "internal comparison" dimension of comparability analysis. Internal comparison might at first glance appear inconclusive: does the fact that the corrections employee unit have never agreed to cost-sharing mean that all three units should be freed from

cost-sharing, or that the two older units' agreement should be extended to the corrections unit? However, the Employer has correctly identified the unique coincidence of timing of the corrections unit's first negotiations with the period when cost-sharing could have been implemented under the other two units' contract, which suggests that extension of the cost-sharing concept to the corrections unit is now appropriate. Indeed, the KenCom employees' contract also requires them to share the cost of premium increases. Non-bargaining unit employees are also required to share the increased costs under the same terms proposed by the Employer here. Thus, internal comparison strongly favors the Employer's offer as the more reasonable and equitable, I hold. Internal comparables have much greater importance on "benefits" like Health Insurance than on percentage of wage increases, to be granted, I specifically hold.

Consideration of the other statutory factors does not alter this determination. Public interest also favors a reasonable cost-sharing scheme, in order to mitigate the spiraling increase in health insurance costs. The Employer's ability to pay the full cost of the premiums is not in issue here, and favors neither offer. The Employer's offer, otherwise favored by the comparability and public interest considerations, is not disfavored when considered in light of the cost of living or the employees' overall compensation. The Union contends that because the employees are so underpaid, they should not be required to share in the cost of premium increases. In fact, I am adopting the Union's higher wage demand, so this argument is now much weaker than might otherwise be the case, particularly when the deputies and sergeants had already agreed to the cost-sharing concept in the prior contract, at even lower wages than those proposed now.

Finally, the prior collective bargaining history that shows an agreement for "caps" in the prior contract is to me the principal other factor "normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment" that must be considered. As noted, the earlier history on "caps" favors the Employer's modest offer of cost-sharing in the third contract year for all the affected bargaining units. I do not find it a "breakthrough" in the parties' relationship, as the Union has suggested, as I noted above. Kendall County has what is not a particularly expensive health insurance plan, according to the County's evidence. Assuming for the sake of argument that the Union is correct that the costs will rise after this contract and that cost allocation may take away some of the pay increases granted in this contract if not limited, that is a subject for bargaining between the parties in the future. I so hold.

In the meantime, the premiums associated with the current coverage should be paid as per the County's offer, based on my critique of all the relevant data and evidence and my finding that the County's offer is more reasonable than the Union's offer. There is no question that the County's offer imposes a more costly contribution than the Union's offer for employees who opt for either single or single and dependent coverage, and the obligation to contribute toward the cost of single coverage, with a "cap" on the County's costs, may shift one-half of the increases over the cap to the unit employees, if raises in the premiums go over the "cap". However, I find that the County has met its evidentiary burden of demonstrating that its offer is justified, especially by the bargaining history and prior contract's terms. I so rule.

V. CONCLUDING FINDINGS

In light of the foregoing analysis, the neutral Arbitrator concludes that the Union's final offer on wages as set forth in Section III of this Opinion, is reasonable, and adopts it, along with the contract terms tentatively agreed to by the parties and reflected in their Joint Exhibit 1. In reaching this conclusion, I have considered all the pertinent statutory factors set out in Section 14(h) of the IPLRA, including the parties' stipulations, external and internal comparability, cost-of-living, the overall compensation presently received by the employees, and such other factors, not confined to the foregoing, which are normally and traditionally taken into consideration in the determination of wages, hours and conditions of employment in collective bargaining. With regard to health insurance, the other stipulated issue before this panel for resolution, the County proposal as set out in Section III is hereby adopted.

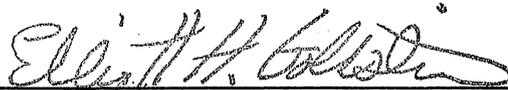
VI. AWARD

(1) The undersigned arbitrator adopts the Union's final offer on wages, as follows: (a) for deputies and corrections officers, raises of 4% per year effective December 1, 1992, 1993, and 1994, at all steps, and the addition of new longevity steps: a step for 5 to 7 years of service effective December 1, 1992, a step for 7 to 9 years of service effective December 1, 1993, and a step for 9 to 11 years effective December 1, 1994 and (b) for sergeants, regardless of years of service, a salary of \$4000.00 more than the top pay for deputies.

(2) The undersigned adopts the Employer's final offer on the cost of health insurance, as follows:

The current coverage provided by the traditional plan or the HMO Plan for life, accidental death and dismemberment, medical and hospitalization, and dental insurance shall remain in full force and effect during the length of the contract and effective December 1, 1994, the Employer's obligation for the cost of a single employee under the HMO Plan shall not be more than \$161.24 per month, and for the PPO Plan shall not be more than \$178.04 per month. Any increases in the premiums to be charged for single employee coverage after December 1, 1994, shall be shared equally by the Employer and the employee. The employee who elects either plan shall pay the difference between the cost of the plan and the amount the Employer is obligated to pay for single employee coverage. . . .

(3) The undersigned also adopts, pursuant to the parties' stipulation, the parties' prior tentative agreements on all matters other than wages and health insurance, as set forth in their Joint Exhibits 1 (corrections officers) and 2 (deputies, and by analogy, sergeants).



ELLIOTT H. GOLDSTEIN
Arbitrator

November 28, 1994

KENDALL'S RANKING AMONG COMPARABLE COUNTIES

<u>Unit & Period</u>		<u>Start</u>	<u>After 1 year</u>	<u>After 5 years</u>	<u>After 10 years</u>	<u>After 15 years</u>	<u>After 20 years</u>
Corrections FY 92	Un.	10th of 11	7th of 11	5th of 11	8th of 11	8th of 11	8th of 11
	Er.	10th of 11	7th of 11	6th of 11	8th of 11	8th of 11	8th of 11
Deputies FY 92	Un.	11th of 11	9th of 11	7th of 11	8th of 11	8th of 11	8th of 11
	Er.	11th of 11	9th of 11	7th of 11	9th of 11	10th of 11	10th of 11
Sgts. FY 92	Un.	5th of 11	5th of 11	5th of 11	8th of 11	8th of 11	8th of 11
	Er.	6th of 11	6th of 11	8th of 11	8th of 11	8th of 11	8th of 11
Corrections FY 93	Un.	7th of 8	5th of 8	5th of 8	6th of 8	6th of 8	6th of 8
	Er.	7th of 8	6th of 8	5th of 8	6th of 8	6th of 8	6th of 8
Deputies FY 93	Un.	8th of 8	6th of 8	5th of 8	7th of 8	7th of 8	7th of 8
	Er.	8th of 8	7th of 8	6th of 8	7th of 8	7th of 8	7th of 8
Sgts. FY 93	Un.	5th of 7	5th of 7	5th of 7	5th of 7	6th of 7	6th of 7
	Er.	5th of 7	5th of 7	6th of 7	6th of 7	6th of 7	6th of 7
Corrections FY 94	Un.	5th of 5	3rd of 5	3rd of 5	3rd of 5	4th of 5	4th of 5
	Er.	5th of 5	3rd of 5	3rd of 5	3rd of 5	4th of 5	4th of 5
Deputies FY 94	Un.	6th of 6	5th of 6	4th of 6	5th of 6	5th of 6	5th of 6
	Er.	6th of 6	5th of 6	4th of 6	5th of 6	5th of 6	5th of 6
Sgts. FY 94	Un.	4th of 6	4th of 6	4th of 6	4th of 6	4th of 6	4th of 6
	Er.	4th of 6	4th of 6	5th of 6	5th of 6	5th of 6	5th of 6