

---

IN THE MATTER OF THE INTEREST ARBITRATION

BETWEEN

EMPLOYER

CITY OF EAST MOLINE  
EAST MOLINE, ILLINOIS

AND

UNION

ILLINOIS FRATERNAL ORDER OF POLICE  
LABOR COUNCIL, IND; LODGE 96

ISLRB CASE NO. S-MA-93-114

---

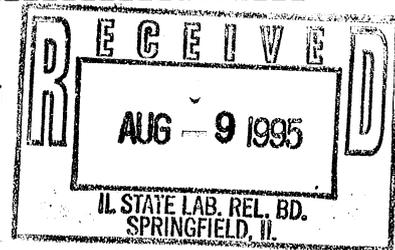
FINDINGS AND AWARD

PURSUANT TO  
THE ILLINOIS PUBLIC LABOR RELATIONS ACT  
as Amended Effective January, 1992  
(Ill.Rev.Stat. 1991, Ch. 48, pars. 1601 et. seq.)  
[5 ILCS 315]

Rendered By:

GEORGE EDWARD LARNEY  
Sole Interest Arbitrator

July 12, 1995  
Chicago, Illinois



-----  
IN THE MATTER OF THE INTEREST ARBITRATION

BETWEEN

EMPLOYER

CITY OF EAST MOLINE  
EAST MOLINE, ILLINOIS

AND

UNION

ILLINOIS FRATERNAL ORDER OF POLICE  
LABOR COUNCIL, IND; LODGE 96

ISLRB CASE NO. S-MA-93-114  
-----

IMPASSE ISSUES

- WAGES/LONGEVITY PAY
- WAGE RETROACTIVITY
- HEALTH INSURANCE PREMIUM CONTRIBUTION BY EMPLOYEES
- HEALTH INSURANCE CONTINUATION FOR SURVIVING SPOUSE AND DEPENDENTS

FINDINGS AND AWARD

I. PRELIMINARY INFORMATION

CASE PRESENTATION-APPEARANCES

EMPLOYER

ARTHUR W. EGGERS  
Attorney  
CALIFF & HARPER, P.C.  
600 First Midwest Bank Building  
506-15th Street  
Post Office Box 719  
Moline, Illinois 61266-0719  
(309) 764-8361

UNION

GARY L. BAILEY  
Attorney and Director of  
Field Services  
ILLINOIS FOP LABOR COUNCIL  
6345 West Joliet Road  
Countryside, Illinois 60525  
(708) 482-0101

**AUTHORITY TO ARBITRATE**

ILLINOIS PUBLIC LABOR RELATIONS ACT (IPLRA) - January, 1992  
(Ill.Rev.Stat. 1991, Ch. 48, pars. 160 et. seq.) [5 ILCS 315]  
Section 14, Security Employee, Peace Officer and Fire Fighter  
Disputes

RULES AND REGULATIONS (effective September 13, 1993)  
Title 80: Public Officials and Employees  
Subtitle C: Labor Relations  
Chapter IV: Illinois State Labor Relations Board/  
Illinois Local Labor Relations Board

Part 1230: Impasse Resolution

Subpart B: Impasse Procedures for Protective Services Units  
Sections: 1230.70; 1230.80; 1230.90; 1230.110  
Covering Compulsory Interest Arbitration

**COURT REPORTER**

DEBRA M. THORNBURG, CSR, RPR  
(Certified in the States of Illinois and Iowa)  
REPORTING SERVICES  
Plaza Office Building  
Post Office Box 5023  
1705 Second Avenue  
Suite 420  
Rock Island, Illinois 61201  
(309) 788-7137

**LOCATION OF HEARING**

East Moline City Hall Annex  
Conference room  
912 - 16th Avenue  
East Moline, Illinois 61244  
(309) 752-1599

PERSONS IN ATTENDANCE AT HEARINGFOR THE EMPLOYER

WILLIAM T. PHARES  
 City Attorney  
 PHARES & CHICKRIS  
 4500 Kennedy Drive  
 East Moline, Illinois 61244  
 (309) 796-0170

STEVEN C. VERDICK  
 City Administrator

FOR THE UNION

BECKY J. DRAGOO  
 Legal Assistant  
 ILLINOIS FOP LABOR COUNCIL

STEVE ROUSEY  
 Case Review Manager  
 ILLINOIS FOP LABOR COUNCIL

DAVID NIXON  
 Field Representative  
 ILLINOIS FOP LABOR COUNCIL

OBSERVERS<sup>1</sup>

II. INTRODUCTION

Pursuant to the terms contained in the Duration Clause, Article 24 of the 1990-93 Collective Bargaining Agreement (Jt. Ex. 1) written notification was tendered within the proper time frame of a desire to enter into negotiations for the purpose of modifying said Agreement (Jt. Ex. 1).<sup>2</sup> Subsequent to such written notification, the Union and the Employer, hereinafter together known as the Parties, pursuant to other provisions contained in Article 24 of the Agreement (Jt. Ex. 1) commenced negotiations within the proper time frame for a successor collective bargaining agreement.<sup>3</sup> The Parties reached agreement on many of the issues that were the subject of bargaining in this round of negotiations but were unable to consummate an entire contract as they encountered impasse on six (6) issues. Pursuant to applicable provisions of The Illinois Public Labor Relations Act, the Parties invoked Interest Arbitration to resolve the issues at impasse. Prior to convening

---

<sup>1</sup> Throughout the hearing there were a number of observers who attended, all of whom are members of the affected bargaining unit, specifically, Lodge 96. The Arbitrator notes that attendance by said bargaining unit members was provided for and in accordance with Stipulation #3 of the "Pre-Hearing Stipulation" Agreement entered into and executed by the Parties on August 15, 1994 (see Section III of this Finding and Award, infra).

<sup>2</sup> Said provided for time frame was 120 days prior to the budget date of May 1, 1993.

<sup>3</sup> Said provided for time frame was no later than sixty (60) days prior to the budget date of May 1, 1993.

this arbitral hearing, the Parties were able to secure mutual agreement on two (2) additional issues leaving four (4) issues to be resolved in arbitration.

### III. STIPULATIONS

In advance of the Interest Arbitration hearing held August 15, 1994, the Parties, entered into the following stipulations regarding various matters associated with and attendant to this Interest Arbitration.

1. Authority and Jurisdiction of the Arbitrator: The arbitrator shall have the full authority and jurisdiction accorded to him by the Illinois Public Labor Relations Act (hereafter the "IPLRA"), including but not limited to:

- (i) The authority to adopt as his award the final offer of either party as to each issue in the dispute; and
- (ii) The authority to issue an award providing increases in wages and other forms of compensations, including changes in insurance, retroactively.

2. Conduct of Hearing: Each party shall have the right to present evidence to the Arbitrator at the arbitration hearing on August 15, 1994, in either the narrative or the witness format. The Union shall proceed first with its presentation of evidence, followed by the City. Each party shall have the right to present rebuttal evidence at the hearing.

3. Attendance at the Hearing: Any employee of the City who is a member of the bargaining unit represented by the Union shall have the right to attend the arbitration hearing; provided, however, other than members of the Union bargaining team, employees shall not be released from duty with pay for purposes of attending, except during authorized breaks and meal periods.

4. Reporting: The City shall arrange for a court reporter to transcribe the proceedings. The parties shall divide equally the costs of the reporter's appearance and the costs of a copy of the transcript for the Arbitrator, if he desires one. Each party shall be responsible for the costs of purchasing its own copy of the transcript.

5. **Prior Tentative Agreements:** All prior tentative agreements reached during the negotiations are attached to this Stipulation, included in an unfinished draft of a new collective bargaining agreement (marked as "Exhibit A"), and shall be implemented with the new contract. Any mutual alterations to this draft may be made by the parties in writing prior to the issuance of the Arbitrator's award.

6. **Final Offer:** The last and final offer of the City is attached as "Exhibit B" and the last and final offer of the Union is attached as "Exhibit C". Such final offers may not be changed except by mutual agreement of the parties.

7. **Post-Hearing Briefs:** Each party may file one post-hearing brief. Post-hearing briefs shall be filed by the parties simultaneously, by mailing to the Arbitrator an original and one copy for the opposing party. Once both parties' post-hearing briefs have been received by the Arbitrator, he will mail the copies to the opposing parties. Post-hearing briefs are to be postmarked not later than 30 days after the date of receipt of transcript.

8. **Remaining Provisions of the IPLRA to Govern:** The parties agree that they have entered into this pre-hearing stipulation pursuant to the authority established in §14(p) of the IPLRA and that in all other respects, except as previously modified by written stipulation, the arbitration proceedings shall be governed by the remaining provisions of the IPLRA.

9. **Authority of Representatives:** The parties warrant to each other that their undersigned representatives are authorized to enter into and execute this stipulation.

**FOR THE UNION:**

\_\_\_\_\_  
/s/GARY L. BAILEY

8/5/94

\_\_\_\_\_  
Date

**FOR THE CITY:**

\_\_\_\_\_  
/s/ ARTHUR W. EGGERS

8/5/94

\_\_\_\_\_  
Date

#### IV. ISSUES AT IMPASSE

The Parties are in agreement that the four (4) issues at impasse are as follows:

1. Wages/Longevity Pay
2. Retroactive Payment of Wages
3. Employee Contribution Toward the Payment of Monthly Premium for Health Insurance
4. Continuation of Health Insurance for Surviving Spouse and Dependents

The Parties further agree, pursuant to the requirement under Section 14(g) of The Illinois Public Labor Relations Act, hereinafter Act or IPLRA to identify issues at impasse as either economic or non-economic in nature, that all four (4) impasse issues are inherently, economic in nature.

The Act mandates that economic issues be subjected to the scrutiny of bargained arrangements between parties in the identical line of work, here peace officers, in comparable communities using comparable statistics for comparative purposes. It is incumbent, therefore, upon the parties to an interest arbitration either jointly or separately to propose a list of comparable communities from which the Interest Arbitration Panel or, as here, the Sole Interest Arbitrator (see preceding Section III - Stipulations of this Award, Point 1), selects the communities deemed as comparable based on such factors as geographical proximity, population, per capita income, family income, labor market conditions, both general and specific, equalized assessed valuation of property, revenue appropriated from property taxes and sales taxes, budget expenditures and other factors advocated to be applicable and pertinent. In some cases, the parties are able to agree on which communities are comparable but in the vast majority of cases, as is the case here, the Parties find themselves in partial disagreement as to which communities are comparable. Where such disagreement exists, it becomes necessary in fulfillment of the mandate under the Act for the Interest Arbitration Panel or here, the Sole Interest Arbitrator to determine which of the proposed communities are truly comparable.

The Union proposes the following communities to be comparable to the City of East Moline, Illinois (listed in alphabetical order):

- |                |                |
|----------------|----------------|
| • Cahokia      | • Jacksonville |
| • Charleston   | • Mattoon      |
| • Collinsville | • Moline       |
| • East Peoria  | • Mount Vernon |
| • Galesburg    | • Rock Island  |

Of the ten (10) communities listed above, all of them cities as is East Moline, the Union asserts there exists a special relationship between East Moline and the other Quad-City cities of Moline, Rock Island and Galesburg, even though the latter is located a half-hour's distance by interstate roadway, as they share the economic identity of being the farm implement capital of the United States and their residents are exposed to the same economic impact the farm implement industry has on related services, businesses and manufacturing plants which are located within the geographical boundaries of this region. Even though East Moline is the smallest of these four (4) cities in terms of its population, the Union asserts it is nevertheless comparable to Moline, Rock Island, and Galesburg when comparing the factors of median home value, per capita income and median household income. The Union claims that irrespective of its smaller population, residents of East Moline are subject to the same cost-of-living conditions that prevail in the other three (3) cities, asserting the citizens of East Moline pay the same amount of money for a loaf of bread, a kilowatt hour of electricity, a plumber's repair bill and a gallon of gasoline as do the citizens in Moline, Rock Island and Galesburg. The Union notes that this same relationship does not exist between residents of East Moline and the other nearby communities of Kewanee, Geneseo, Aledo, Morrison and Mt. Carroll. The Union asserts that what makes the remaining seven (7) communities above comparable to East Moline is that they share some nexus with a metropolitan area while comparing very similarly as to the factors of population, median home value, per capita income and median household income. The Union claims that comparability of these communities with East Moline is enhanced when taking into consideration the factors of the number of police officers employed, the number of reported crimes and the level of both revenues and expenditures.

The Employer proposes the following communities as being comparable to the City of East Moline, Illinois (listed in alphabetical order):

- Belvidere
- Charleston
- Dixon
- East Peoria
- Jacksonville
- Lincoln
- Loves Park
- Macomb
- Mattoon
- Ottawa

The Employer bases its selection of these ten (10) cities as comparable on the criteria of, close geographical proximity to East Moline, the fact that in all ten (10) cities, the peace officers are represented by a union, that the population in all ten (10) cities varies within a range of plus or minus twenty-five percent (25%) and that none of these cities are located in the Chicago Metropolitan area. The Employer submits that while the factor of population reigns supreme among the various factors of comparability, its selection of the above listed ten (10) cities is also supported by such other factors as median family income, median

household income, property value, proper value per capita, property tax rate, sales tax revenue, sales tax per capita, police expenditures (in total dollars), police expenditures per capita, public safety expenditures, public safety expenditures per capita, general fund expenditures, general fund expenditures per capita, and number of residents per police officer.

The Union rejects the Employer's selection of Ottawa, Dixon and Macomb as comparable cities on grounds they have no connection to a metropolitan area and thus lack an important quality that is inherent in East Moline. In noting the Employer's main rationale for selection of comparable cities, specifically, unionized cities geographically closes to East Moline, the Union criticizes the Employer's exclusion of the cities of Freeport and Morton, both of which meet the aforesaid criteria. With respect to the City of Morton whose police officers are represented by its organization, the Union avers that while the use of Morton as a comparable community is questionable, it nonetheless fits into the criteria the Employer alleges to have used to determine comparability. The Union states it is suspicious with regard to the main criteria allegedly used by the Employer to select comparable communities because of the exclusion of such other cities as Rantoul, Sterling or Machesny Park. Conceding it is unaware of whether the police are unionized in these three (3) cities, nevertheless, the Union asserts that exclusion of these cities indicates that either the Employer did not use the particular measuring stick it claims to have used in selecting comparable communities or there existed some errors in its measuring. The Union expresses further suspicion regarding the statistics used by the Employer ascribed to the communities it selected as being comparable to East Moline. The Union notes the Employer based comparisons on information gathered by telephone surveys rather than from collective bargaining agreements which would have been more accurate and certainly more accessible since, as the Employer submits, all ten (10) comparable communities it selected are unionized. The Union asserts the chance of error through information gleaned in a telephone survey is much greater than through information obtained from contract provisions. As a case in point, the Union recalls it noted such an instance of unreliable information at the arbitral hearing when the Employer made inaccurate representations regarding information pertaining to surviving spouse benefits that had been obtained through telephone survey instead of through contract provisions.

The Employer charges the Union with being inconsistent in the application of factors used by it in selecting its comparable communities. Specifically, the Employer notes the Union disregarded the "extremely important" factor of population in its selection of Moline, Rock Island and Galesburg, using instead the criterion these cities share the same labor market whereas, on the other hand, the Union emphasized the importance of population when selecting the other seven (7) cities in its list of comparable communities. The Employer submits that along with geographic

proximity, population is the true beginning point in determining comparability and rejects on grounds lacking a logical basis comparability determinations using as a factor, the "same labor market." The Employer supports its latter position by noting labor force mobility, that is, that employees using automobiles for transportation have the means of easily commuting to cities located a distance of fifty (50) or more miles from their residence. That being the case, the Employer argues that to suggest that all cities within fifty (50) miles are comparable simply on the basis they comprise the same labor market, ignores the factor of population which it asserts most arbitrators generally view as one of, if not the most basic factor for the selection of comparable communities. But even utilizing the factor of the "same labor market," the Employer contends the Union has made its selection of comparable communities on a very selective basis noting that it included Moline and Rock Island, the two (2) largest Illinois cities that share East Moline's labor market while, at the same time, excluding numerous small towns adjoining the Quad Cities which also share in East Moline's labor market. The reason for such inclusion and exclusion is obvious, asserts the Employer, explaining that wages paid typically are higher in large cities than they are in small cities. The Employer submits the Union's attempt to include the cities of Moline and Rock Island, which are both double the population of East Moline, should be viewed by the Arbitrator as an attempt to include cities that are very dissimilar and not comparable to East Moline in the same way that cities half the size of East Moline are dissimilar and not comparable. In sum, the Employer submits its criteria for selecting comparable communities is reasonable and consistent in application, whereas the Union's criteria seems, at best, questionable and, at worst, inconsistently applied for the purpose of attempting to use cities which are not, in actuality, comparable or emphasizing only those cities that are comparable but which, at some point in their salary schedules, provide payment of higher wages than East Moline.

In reconciling the two (2) lists of comparable communities advocated by each party, both Parties are in agreement, albeit for different reasons, that the following four (4) cities should be used for comparative purposes to East Moline in determining which of their final offers on an item-by-item basis should be selected by the Arbitrator, specifically, Charleston, East Peoria, Jacksonville and Mattoon. Based on this partial Agreement, the Arbitrator adopts these cities to be among those included in the final list of comparable communities. As a means of narrowing the choices among the remaining twelve (12) cities proposed by the Parties, the Arbitrator accepts as persuasive the arguments asserted by each side in specifically objecting to the inclusion of Moline and Rock Island on the Union side and Dixon, Macomb and Ottawa on the Employer side. Of the remaining seven (7) cities not specifically objected to for inclusion on a final list of comparable communities, the Arbitrator selects the following four (4) cities, to-wit, Collinsville and Galesburg as advocated by the

Union and Belvidere and Lincoln as advocated by the Employer. The Arbitrator rejected the cities of Cahokia and Mt. Vernon advocated by the Union on the basis of their relative smaller population size to Collinsville and Galesburg and rejected Loves Park advocated by the Employer on the basis of its being unique in several ways from East Moline and the other communities deemed to be comparable.<sup>4</sup> Thus, in all, out of the total of twenty (20) cities advocated by both Parties as comparable, the Arbitrator deems the following eight (8) cities to be the comparable communities upon which comparisons will be made for the purpose of determining which final offers more fully comply with the criteria set forth in Section 14(h) of the Act.

- |                |                |
|----------------|----------------|
| • Belvidere    | • Galesburg    |
| • Charleston   | • Jacksonville |
| • Collinsville | • Lincoln      |
| • East Peoria  | • Mattoon      |

#### V. INTEREST ARBITRATOR'S RESPONSIBILITY

Under the provisions of the IPLRA, most specifically Section 14(g), the charge given to the sole interest arbitrator is to adopt the last offer of settlement which, in the arbitrator's opinion, more nearly complies with the applicable factors prescribed in subsection 14(h). Said subsection delineates the following eight (8) factors.

- (1) The lawful authority of the arbitrator.
- (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.

---

<sup>4</sup> Additionally, the Arbitrator opted to select the larger population sized cities advocated by the Union as a balance to the selected smaller sized cities advocated by the Employer.

- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.
- (7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (8) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

**VI. LAST AND FINAL OFFERS, PARTIES' CONTENTIONS  
AND ARBITRATOR'S FINDINGS**

**FIRST ISSUE**

**A1. WAGES**

**UNION**

**EMPLOYER**

**All Officers**

**All Officers**

May 1, 1993 - 3% increase  
May 1, 1994 - 5% increase  
May 1, 1995 - 3% increase

May 1, 1993 - 3% increase  
May 1, 1994 - 5% increase  
May 1, 1995 - 3% increase

**Police Officers**

**Police Officers**

- Freeze starting pay
- Delete 7 to 12 month step
- Establish new steps at 8 and 11 years at an incremental increase of \$400.00 over the 7th and 10th step respectively to begin May 1, 1993
- Movement on the Wage Schedule when promoted to a Command Officer rank shall be accomplished solely

- Status quo
- Status quo
- Status quo
- Status quo

on the basis of years of service

Command Officers

- Change step structure on Wage Schedule for all Command officer ranks, i.e. Sergeant, Lieutenant and Captain so as to accommodate movement on the Wage Schedule according to years of service when promoted from the rank of Police Officer

Command Officers

- Status quo

A2. LONGEVITY PAY

UNION

All Officers

- 9th - 13th yr. - \$800.00
- 14th - 18th yr. - \$800.00
- 19th yr. & over - \$800.00
- Eliminate longevity pay provisions from Article 20 of the Agreement and roll the longevity pay increases into the wage rate base

EMPLOYER

All Officers<sup>5</sup>

- 8th - 12th yr. - \$675.00
- 13th - 17th yr. - \$800.00
- 18th yr. & over - \$300.00
- Status quo

CONTENTIONS

WAGES AND LONGEVITY PAY

UNION'S POSITION

The Union maintains that during negotiations it sought to rectify two problems with regard to wages, to-wit: (1) the need to increase the compensation level for senior officers, that is, officers with greater years of service with the Department; and (2) the need to end the method of compensating Command officers on the basis of both "years of service" and "years in rank." With respect

---

<sup>5</sup> Employer's offer represents the status quo.

to the former, the Union contends that officers on the more senior steps on the Wage Schedule trail below officers similarly situated in the other comparable communities.<sup>6</sup> The Union contends that Police Officers in East Moline compare favorably with their counterparts until they accrue five (5) or more years of service and lag far behind the average pay of their counterparts after ten (10) years of service.<sup>7</sup> The Union contends its final offer with respect to the rank of Police Officer has, as its major objective to remedy the wage inequity impacting the senior officers not by extensive injections of large amounts of cash but rather through an incremental raise in the level of the wage schedule steps associated with the more senior years of service. The Union argues that, on the other hand, the Employer's final offer of a simple across-the-board increase would have the effect of maintaining such wage disparity in the present and, over the duration of the subject three (3) year Agreement (Jt. Ex. 3) of further widening the disparity. The Union submits that as a result of the wage disparity that now exists, police officers in East Moline have been leaving the Department and taking peace officer positions with other police departments in the Quad City area.

The Union explains that while such wage disparity is a problem for more senior officers, there is no such problem for rookie officers or for officers in their first five years of service and that this reality serves as the rationale underlying its proposal to freeze starting pay and also to eliminate the seven (7) to twelve (12) month step. The Union maintains that the effect of these two (2) proposals would eliminate the excessive advantage rookies in East Moline have over their counterparts in comparable communities and that by the expiration of the subject Agreement (Jt. Ex. 3), their pay will have gone from an excess of \$1,937.00 over the average to \$1,061.00 below the average wage for the other comparable

---

<sup>6</sup> The Union notes that during negotiations the Employer unilaterally elevated each Command Officer rank, specifically, corporals became sergeants, sergeants became lieutenants, and lieutenants became captains. As a result, even though Command Officers, like Police Officers, are under-compensated at the more senior levels, there exists confusion as to the correct wage comparisons to be made for these ranks and therefore, the Union asks the Arbitrator to focus on the Police Officers asserting the parties can more appropriately address the compensation of Command Officers in future negotiations.

<sup>7</sup> It is noted by the Arbitrator these contentions were based on those communities that the Union advocated as being comparable communities. The average pay reference was a reference to Police Officers in Moline, Rock Island and Galesburg.

communities.<sup>8</sup> Thus, the Union notes, while it is proposing more money from the Employer to pay the senior police officers it is, at the same time, asking for no additional money to pay rookie officers. In this, the Union asserts it is justified even though there are many police officers at the beginning of the pay scale. The Union asserts that the problem with the pay scale is well-known by its membership and that the members are committed to the effort to resolve the problem as evidenced by the significant show of support in the large turn-out of its membership at the arbitral hearing.

The Union explained that while on the surface its entire wage proposal including increasing the amount of longevity pay and rolling these increases into the wage base appear to represent a number of "breakthrough" proposals, the fact is that they all resulted from the series of proposals and counterproposals that were exchanged by the Parties during the negotiation phase of the bargaining process. In fact, the Union contends, the Employer had signalled its concurrence with its views regarding the problem areas associated with the wage schedule for police officers during bargaining and there was tentative agreement between them to freeze starting pay, eliminate the seven (7) to twelve (12) month step, institute two (2) additional steps in the wage schedule although there was a difference as to which year of service the step would be applicable for and which year of the contract the additional steps would become effective and finally, there was tentative agreement to increase longevity pay to the same amount of Eight Hundred (\$800.00) Dollars but there was no agreement to roll the longevity increases into the wage base.<sup>9</sup> The Union submits the Employer abandoned its concurrence on these pay matters when, upon reaching impasse, this interest arbitration became a reality. The Union notes the Employer withdrew its proposals to rectify the wage problems and instead adopted a very general approach to the pay issues by proposing an across-the-board raise only, with no changes in the number of steps in the wage schedule and no alterations to longevity pay. The Union charges the Employer's strategy of changing its position from one of making offers in bargaining that were responsive to the wage problems articulated at the table to

---

<sup>8</sup> The Arbitrator notes the cited figures are based on a comparison of the comparable communities advocated by the Union exclusive of Moline, Rock Island and Galesburg.

<sup>9</sup> According to the bargaining history account presented by the Union but not refuted by the Employer, the Employer was willing to institute the new steps at the seventh and tenth year of service which was one year earlier than the Union's proposal of the eighth and eleventh year. However, at that point in time the Parties were bargaining what appeared to be a two year agreement and the Union proposed that the new steps take effect in the first year whereas the Employer proposed they take effect in the second year.

altering its entire approach once impasse was declared is motivated by testing a particular litigation theory which is, adopting a wage proposal that it deems safe and one more likely to be accepted by the Arbitrator. The Union further charges the Employer's approach in this arbitral proceeding is based on a rationale that if the Parties cannot reach a voluntary agreement, abandon all efforts to settle, forget about the underlying problems that exist, and make a final offer that is completely divorced from proposals previously advanced in the bargaining phase of negotiations. The Union submits that its final offer on wages on the other hand is not pre-packaged to fit within a particular scheme of precedent but rather is tailored as a response to the wage problems which exist between the Employer and its bargaining unit members.

The Union submits that if the Arbitrator should select the Employer's final offer on wages, it will interpret this outcome to mean that open and honest negotiations are dangerous and addressing real problems can lead to disastrous results unless wholesale concessions are made. It will learn it is safer to make guarded offers that are easy to defend in arbitration than to advance proposals intended to solve problems and to reach a mutually acceptable settlement. The Union submits its membership will discern, if the Employer is permitted to prevail here given its strategy, that negotiations is merely a procedural precursor for arbitration and that the expiration of a contract means it is time to prepare an arbitration case. Further, its members will conclude that problem pay plans must evidently be endured and that the advent of collective bargaining in Illinois was not meant to create an avenue to address such wage and wage schedule problems but rather merely to establish just another litigation system to keep attorneys employed.

If the Arbitrator should select the Employer's final offer on wages, the Union claims the Arbitrator will be permitting the Employer to abridge both the bargaining and arbitration process. In support of this claim, the Union cites the following dicta by Arbitrator Herbert Berman in the case of Will County and AFSCME (March 19, 1991):

In short, the Employer's proposal was unresponsive to the Union's proposal and unrelated to the prior offers or to the bargaining process -- a process in which interest arbitration, or at least the threat of interest arbitration, is an integral part.

The Union reiterates its position that what appears to be "breakthrough" proposals its advocating are, in reality, positions both advanced and embraced by the Employer during bargaining but completely abandoned in these arbitral proceedings. The Union claims that by taking this approach the Employer is seeking from the Arbitrator to punish it for pursuing the "breakthrough" proposals advanced initially by the Employer during bargaining.

The Union submits the Employer cannot divorce its position in arbitration from its position in bargaining and in support of this view, it cites the following dicta from Arbitrator Harvey Nathan in the case of Will County and AFSCME (August 17, 1988):

Accordingly, interest arbitration is essentially a conservative process. While, obviously, value judgments are inherent, the neutral cannot impose upon the parties contractual procedures he or she knows the parties themselves would never agree to. Nor is it his function to embark upon new ground and create some innovative procedural or benefit scheme which is unrelated to parties' particular bargaining history. The arbitration award must be a natural extension of where the parties were at impasse ... To do anything less would inhibit collective bargaining.

The Union argues that because the Employer demonstrated its willingness to make various changes in the wage schedule during negotiations, the Arbitrator will not be imposing an unwanted or unwelcomed "breakthrough" by adopting its (Union's) final offer but rather will simply be facilitating a natural extension of where the Parties would have ultimately met based upon where they were at when impasse was reached. The Union asserts the Employer attempted to have the Arbitrator disregard bargaining history by confusing bargaining history with settlement offers. The Union concurs that offers of settlement are not appropriate for consideration by the Arbitrator but bargaining history is and the proposals it has surfaced that were advanced by the Employer were a formal part of the bargaining process and therefore properly raised in these arbitral proceedings. By examining what transpired in negotiations and the Parties' conduct at the table, the Union asserts the Arbitrator will be stressing the importance of good faith collective bargaining. The Union maintains that the purpose of surfacing the bargaining history was two-fold, to wit: (1) to prove the Employer has engaged in regressive bargaining in this arbitration phase of the bargaining process; and (2) to show that during negotiations, the Employer, by the proposals it advanced, conceded it was below the average in compensating senior police officers compared to their counterparts in other communities and that a "breakthrough" approach was appropriate to remedy this deficiency.

For all the foregoing reasons, the Union urges the Arbitrator to select its final offer on wages and longevity pay over maintaining the status quo which would bar necessary changes that need to be made to the wage schedule. The Union submits its final offer is fair, not excessive, that it represents a natural by-product of negotiations and is appropriate when compared with wage scales in other similar communities. In contrast, the Union asserts the Employer's final offer is blatantly unfair and would never have

been accepted by it or its membership had it been advanced in negotiations.

### EMPLOYER'S POSITION

The Employer asserts its final offer on wages of three (3%) percent increase the first year, five (5%) percent the second year and three (3%) percent increase the third year is a very generous offer and ranks favorably relative to settlements in comparable communities over approximately the same time period (between 1993 and 1996). The Employer submits the current wage level is reasonable as evidenced by the fact that the Parties have mutually agreed to the wages in preceding rounds of collective bargaining, including the wages contained in the now expired 1990-93 Agreement (Jt. Ex. 1). Projecting the newly proposed wage increases for the successor 1993-96 Agreement (Jt. Ex. 3), the Employer submits the wage levels will keep pace with comparable communities and in comparison with some of these communities East Moline will advance in its relative rankings. The Employer also asserts that with respect to wages paid to Police Officers with five (5) or less years of service, East Moline is the leader among the comparable communities. The Employer argues this is an especially significant point since of the twenty-two (22) bargaining unit members who hold the rank of Police Officer, thirteen (13) or fifty-nine (59%) percent have less than five (5) years seniority.<sup>10</sup> The Employer submits this fact strongly supports its position that its final offer on wages is reasonable. The Employer submits, on the other hand, that the Union's proposal is not reasonable as the "problem areas" it seeks to remedy are, in reality, not problem areas at all and what the Union is really seeking to do is to maintain high pay at the low end of the wage schedule while attempting to boost pay at the high end of the wage schedule to high levels. The Employer submits that the Union's proposal is not representative of an across-the-board increase since, as structured, it would not have an equal application to all steps on the wage schedule and, in addition, would result in increasing pay differentials between ranks. The Employer argues that to modify the wage schedule as proposed by the Union would clearly constitute a "breakthrough" as the present wage schedule is a product of mutual agreements between the Parties over a long period of time and the changes that would occur to the wage schedule if the Union's final offer was selected would ultimately result in a new set of problems that would have to

---

<sup>10</sup> The Arbitrator notes from the record evidence cited by the Employer that the Union represents a total of 33 officers in the bargaining unit which means there are eleven (11) officers or one-third of the bargaining unit who hold a Command Officer's ranking.

be dealt with by the Parties at some future negotiations. As an example, the Employer asserts that incorporating longevity pay into the wage base would result in longevity pay increasing automatically each time a general wage increase took effect which is a result the Parties never intended when longevity was first negotiated as a benefit into the contract. Contrary to the Union contention wages for senior police officers seriously fall below the wages of their counterparts in other comparable communities so much so that it has resulted in police officers leaving East Moline for employment in other city police departments, the Employer asserts that comparisons of its senior police officers' pay with the pay of their counterparts reveals it falls within the mid-point of the range of such pay. Further, the Employer contends, not only is there no slippage in such pay but, in actuality, in the second and third years of the contract, East Moline experiences a net gain in its position vis-a-vis its ranking relative to other comparable communities. The Employer remarks that if East Moline's being in the mid-point of the wage range as established by the comparable cities and applicable to the higher end of the wage schedule poses a problem for the Union, then most certainly the fact that East Moline ranks number one among the comparable cities at the lower end of the wage schedule poses a similar problem for it. Continuing on with this same thought, the Employer reasons that if these so-called "problems" were to be dealt with within the goal context of moving East Moline in the middle of the rankings for pay at all points along the wage schedule relative to the other comparable cities, it would then be necessary not only to freeze the wages at the lower end of the wage schedule but to actually institute a reduction in such pay, an action neither the Union nor the Arbitrator would accept. The Employer deems fallacious the Union's position that by freezing the wage schedule at the low end the Union has provided it with "savings" sufficient in amount to increase wages at the higher end of the wage schedule noting that, if consideration is given only to wages paid by comparable cities at the low end of their respective wage schedules, East Moline has already expended more money in the form of pay than it should have. In other words, the so-called "savings" is illusory in the light of past overpayments. Additionally, those employees who have already been the recipients of these overpayments are now progressing along the advanced steps of the wage schedule where they will now receive a level of pay that is seen as average when compared to the level of pay provided by other comparable cities in compensating officers similarly situated with respect to years of service. The Employer asserts that what is being attempted here by the Union with its final offer and rationale to support that offer is merely to justify wage increases that are unreasonably high.

The Employer rejects the Union's claim its last and final offer is unreasonable because said offer represents a departure from positions taken by it in negotiations pertaining to restructuring pay levels. The Employer deems the Union's position that demands its last and final offer amount to at least as much as what it

proposed in bargaining as being completely inconsistent with the goal of the IPLRA and the purpose of interest arbitration. The Employer submits that the notion parties should save their best offers for interest arbitration is wholly contrary to the notion that parties should endeavor to reach agreement through the negotiations process rather than having to resolve issues at impasse in an interest arbitration. The Employer submits that if the Union's line of reasoning were to be accepted, it would then be incumbent upon the parties to never reach a voluntary settlement and to always proceed to interest arbitration so as to receive the best offer of the other party. In holding the view that interest arbitration is nothing more than a "continuation of the negotiations process," the Employer asserts that what the Union did in the instant case was to get it to commit to as large a settlement offer in negotiations as possible and then to force it to go to interest arbitration thereby guaranteeing it would secure at least as much as it was offered across-the-table. The Employer notes that given such a strategy, it follows that the Union then has a chance of getting even more than it was offered in negotiations with no risk of getting any less which is a strategy it deems to be absurd. The Employer advocates the opposite position which is, that parties should be expected to make their best offers in negotiations as a means of reaching a voluntary agreement as opposed to having to proceed to an interest arbitration where there exists a risk that what is obtained in arbitration may well amount to less than what otherwise might have been obtained at the bargaining table. The Employer requests that the Union's position that a party's good faith attempt to reach settlement in negotiations can be used against it in interest arbitration should be dismissed by the Arbitrator.

The Employer argues that its last and final offer on wages should be accepted over that of the Union's on the basis that it is internally comparable with wage settlements it has reached with its other two (2) bargaining units, specifically the International Association of Firefighters (IAFF) and the American Federation of State, County and Municipal Employees (AFSCME) as well as with the increases in pay it has conferred on its exempt employees. The Employer notes that its offer of a three (3%) percent increase in the first year (May 1, 1993) and five (5%) percent increase in the second year (May 1, 1994) is identical to the percentage increase in wages agreed to with both IAFF and AFSCME bargaining unit employees and identical to the wage increases given to exempt employees. However, the three (3%) percent increase it is offering to all officers in the Police Department for the third year (May 1, 1995) exceeds the percentage increases given to the other three groups of City employees. Specifically, IAFF bargaining unit employees settled for a 2.25% increase in 1995, AFSCME bargaining unit employees settled for a 2.5% increase in 1995 and this same percentage increase was given to the exempt employees in 1995. The Employer notes this same preferential treatment of wage increases was followed in the predecessor agreements covering the three (3)

year period 1990, 1991, and 1992. Over the total of this three (3) year period, wage increases totalling thirteen (13%) percent were agreed to with members of both IAFF and AFSCME bargaining unit employees and the identical increase was given to exempt employees. The increases for each year were 3%, 5%, and 5%. However, in that same period, FOP bargaining unit members achieved a higher settlement on wage increases receiving a total of 13.25% over the three (3) years which was distributed in each year as follows: 3.5%; 4.75%; and 5.0%. Because of the fact the settlement of a higher percent was given to the FOP employees in the first year, as compared to all other employees, the actual percentage wage increase for FOP employees was one percent (1.0%) greater than for all other employees at the time the 1990-92 contract expired as opposed to the simple percentage difference of a quarter percent (.25%)<sup>11</sup> In the present agreement, because the difference in the wage increase between FOP employees and the other groups of employees does not occur until the third year, there is no compounding effect of the type that was in evidence in the predecessor three (3) year period so that the difference in the increase is limited to the simple difference between the actual percentages. In other words, FOP employees will be receiving a wage increase three-quarters of one percent (.075%) greater than what was agreed upon with IAFF employees and a half-percent (0.50%) greater than was agreed upon with AFSCME employees and what was given to exempt employees.

The Employer notes that even more dramatic than the number reflecting the simple total percentage increase of 11.0% are the numbers of the actual percentage increase in wages FOP employees

<sup>11</sup> This occurs as a result of the compounding effect of carrying a larger percentage increase through all three (3) years of the agreement. In the case of the other three groups of employees the compounding effect of the increases total twenty-four percent (24%) whereas for FOP employees the compounding effect yields an increase of twenty-five percent (25%). The calculations are as follows:

<u>IAFF/AFSCME/Exempt Employees</u>		<u>FOP Employees</u>
1st yr.	3%	3.5%
2nd yr.	3%	3.05%
	5%	<u>4.75%</u>
3rd yr.	3%	3.05%
	5%	4.75%
	<u>5%</u>	<u>5.00%</u>
Total	<u>24%</u>	<u>25.00%</u>

will receive over the three (3) year duration of the contract. Those percentages range from a low of 10.74% to 22.03%. Police Officers with the lowest base wage receive the largest percentage increase and those Police Officers with the highest base wage receive the lower percentage increase. These results occur because officers during the life of the agreement will advance to higher steps on the wage schedule as well as receiving longevity pay boosts in addition to the additional dollars of income received from each of the three across-the-board wage increases.

The Employer further argues its last and final wage offer is reasonable when examined against reported increases in the cost-of-living. Overall, the Employer notes that said cost-of-living increases for the three (3) year period of May 1, 1993 through May 1, 1995 total to 7.9% whereas the total percentage increases amount to 11.0% resulting in a positive 3.1% difference. In other words, the percentage wage increase not only keeps apace with inflation but it also provides an actual increase in purchasing power. This was also the case for the preceding three year period, 1990-92 but less dramatic. For this period, the actual cost-of-living increase totaled to 12.40% and when matched against the total percentage wage increase of 13.25% yielded a positive difference of .85%. Nevertheless, this fraction of one percent (1%) still yielded an increase in purchasing power.

Finally, the Employer asserts that, based on its calculations, the Union's final offer would result in a cost to it of \$49,475.00 greater than its final offer over the three (3) year duration of the contract. According to the Employer, the greater cost in the first year would amount to \$15,935.00, in the second year, \$14,279.00, and in the third year, \$19,261.00. The Employer submits there is nothing in the Union's stated position that serves to justify expending nearly fifty thousand dollars more to fund the Union's final offer on wages. For all the foregoing reasons, the Employer urges the Arbitrator to select its final offer on wages and longevity pay over the Union's final offer on these two issues.

FINDINGSWAGES & LONGEVITY PAY

Setting aside for the moment the significant differences between the Parties' respective last final offer, it is clear that underlying these significant differences is an ideological chasm regarding the nature of the collective bargaining process and the role interest arbitration plays in the process. The Employer quite correctly identifies the Union's view that interest arbitration is but a "continuation of the bargaining process" and, in practical application of this view, bargaining history becomes the preeminent factor in persuading the neutral third party decision maker, here the Arbitrator, as to which final offer comes closest to obtaining the results sought by the Parties in their negotiations. The arguments advanced by the Union and summarized above comport with this description of its ideology including the allegation the Employer has engaged in regressive bargaining because its last and final offer represents a significant departure from the positions it advanced during the negotiations phase of bargaining. The Employer's ideology regarding the role of interest arbitration can best be described, though it never delineated its ideology in such a specific way itself, as an "extension of the bargaining process" meaning that, it is another phase of the process, albeit a mandated one by statute, wherein the parties are afforded another opportunity in a different forum to resolve the issues they were unable to resolve through mutual agreement in the voluntary negotiations phase of the collective bargaining process.

The Parties' respective positions regarding the role of interest arbitration in the bargaining process stand in stark contrast with each other and can be deemed to be essentially diametrically opposed. That being the case, the Arbitrator is indirectly being asked to declare his concurrence as to which ideology he believes applicable in describing the role of interest arbitration. The Arbitrator is of the view that mediation, as a component part of collective bargaining, is best described as a "continuation of the bargaining process" as this description is envisaged here by the Union, and that interest arbitration, as another component part of collective bargaining, is best described as an "extension of the bargaining process" as that phrase was interpreted hereinabove. Prior to advancing declared impasse issues to arbitration, the IPLRA requires parties to submit to mediation. In the typical mediation, the mediator (neutral) pursues the positions each side espoused formally in negotiations as well as those positions the parties may have surfaced informally in any side-bar meetings they conducted as a means of exploring other possible terms of settlement. In any event, while under the auspices of a mediator, the parties will continue to explore possibilities of settlement by considering variations of the proposals they have already advanced or they will consider alternative approaches posed by the mediator

that have, as their intent, to achieve the objectives being sought by them. In fact, the concept of "good faith" bargaining demands that the parties in mediation comport themselves in this manner and any real departure from this modus operandi can be claimed to constitute "regressive" or bad faith bargaining. Interest arbitration, however, being an extension of, rather than a continuation of, bargaining does not impose any requirements or obligations on the parties to proffer final offers related to their previous espoused formal positions advanced in the voluntary phase of negotiations. There is no legal obligation under the IPLRA for either party in an interest arbitration to submit last final offers that are either similar or identical to the proposals they formulated and advanced at the bargaining table. Having so concluded, the Arbitrator recognizes that, in reality, it is often the case that parties in an interest arbitration will perceive it to be in their best interest to submit final offers that closely or perfectly mirror proposals they have advocated in negotiations, (presuming, of course, such proposals be wholly within the realm of reason and can be supported by clear rationale and evidence), knowing full well an arbitrator or arbitration panel will be scrutinizing the last final offers in accordance with the criteria set forth in Section 14(h) of the Act as reproduced in whole above under Section V of this Award (see pp. 10 and 11). Thus, relative to final offers there is no such thing as a party engaging in regressive or bad faith bargaining since final offers are evaluated within the overall context of whether they comply with Section 14(h) criteria and not whether they narrowly comply with certain objectives that were sought by the parties in the negotiations phase of collective bargaining. This is not to say, however, that bargaining history should be either disregarded or deemed unimportant since it can be included as a factor for consideration under Criterion Number 8 - "such other factors ..." The point is that while certain of the eight (8) criteria to be considered may not be applicable to some issues, the criteria that are applicable may not be of equal weight. In this regard, the fashioning of final offers may very well be divorced from positions advocated in negotiations since the motivation for advancing such proposals might be altogether different from the motivation attendant to proposing final offers in arbitration given the fact the objectives sought in each forum may be substantially different. Thus, once an impasse is declared and parties move to secure resolution of the deadlocked issues in interest arbitration, "all bets are off" with respect to the positions previously advocated by the parties in negotiations and each party is free to either continue to pursue its advocated positions or to entertain whole new approaches through their respective final offer submissions.

Based on the foregoing discussion, the Arbitrator finds, contrary to the Union view, that the Employer did not engage in regressive or bad faith bargaining by having submitted a final offer on wages that, by comparison, differed in substantial ways from proposals it had advocated during negotiations. However, when a party advances

a final offer which represents a fairly substantial departure from espoused proposals advanced at the bargaining table, that party, here the Employer, must assume a greater burden in justifying the departure and must demonstrate through the force of its argument that the formulated final offer meets compliance with the applicable Section 14(h) criteria. In assessing the arguments advanced by both Parties, the Arbitrator discerns they are in agreement that the level of compensation paid to Police Officers in their first five (5) years of service is above that of their counterparts in comparable cities but that they disagree over where East Moline stands in the relative rankings with other comparable communities with respect to the level of compensation paid to Senior Police Officers, that is, those officers with more than five (5) years of service. While the Union claims that wages for senior Police Officers seriously lag behind the wages of their counterparts in comparable communities, the Employer asserts this claim is not valid, notwithstanding its willingness to address the espoused concerns of the Union on this issue during negotiations. The following information tables are intended to substantiate which Party is correct in its position.

TABLE 1

**COMPARISON OF WAGES FOR POLICE OFFICERS BETWEEN  
EAST MOLINE AND THE SELECTED COMPARABLE CITIES  
(1993 WAGES)\***

CITY	5 yrs. of Service	10 yrs. of Service	15 yrs. of Service	20 yrs. of Service
<b>EAST</b>				
<b>MOLINE (E)**</b>	\$30,051	\$30,726	\$30,526	\$31,826
<b>(U)***</b>	30,051	31,251	32,451	33,251
BELVIDERE	30,908	31,292	31,675	32,059
CHARLESTON	29,664	31,656	33,108	33,828
COLLINSVILLE	34,327	35,674	36,347	36,683
EAST PEORIA	39,413	40,171	41,687	41,687
GALESBURG	27,188	29,829	30,414	30,999
JACKSONVILLE	32,886	33,215	33,544	33,872
LINCOLN	27,581	29,172	29,702	30,498
MATTOON	29,449	31,212	31,806	32,698
<b>RANKING (E)</b>	5 of 9	7 of 9	7 of 9	7 of 9
<b>RANKING (U)</b>	5 of 9	6 of 9	5 of 9	5 of 9

\* For the City of East Moline, the wages are based on the Parties' last final offers.

\*\* (E) represents proposed wages based on Employer's last final offer.

\*\*\* (U) represents proposed wages based on Union's last final offer.

TABLE 2

**COMPARISON OF WAGES FOR POLICE OFFICERS BETWEEN  
EAST MOLINE AND THE SELECTED COMPARABLE CITIES  
(1994 WAGES) \***

CITY	5 yrs. of Service	10 yrs. of Service	15 yrs. of Service	20 yrs. of Service
<b>EAST MOLINE (E)**</b>	<b>\$31,554</b>	<b>\$32,229</b>	<b>\$33,029</b>	<b>\$33,329</b>
<b>(U)***</b>	<b>31,554</b>	<b>32,814</b>	<b>34,074</b>	<b>34,914</b>
BELVIDERE	29,899	32,211	33,821	33,821
CHARLESTON	30,852	32,928	34,428	35,184
COLLINSVILLE	34,840	36,213	36,878	37,918
EAST PEORIA	40,990	41,778	42,566	43,354
GALESBURG+	-	-	-	-
JACKSONVILLE	33,872	34,211	34,550	34,889
LINCOLN	28,829	30,492	31,046	31,878
MATTOON	30,332	32,148	32,761	33,679
RANKING (E)	4 of 8	5 of 8	6 of 8	7 of 8
RANKING (U)	4 of 8	5 of 8	5 of 8	4 of 8

\* For the City of East Moline, the wages are based on the Parties' last final offers.

\*\* (E) represents proposed wages based on Employer's last final offer.

\*\*\* (U) represents proposed wages based on Union's last final offer.

+ City of Galesburg was in negotiations and wages had not yet been agreed to for 1994 at the time of this arbitral hearing.

TABLE 3

**COMPARISON OF WAGES FOR POLICE OFFICERS BETWEEN  
EAST MOLINE AND THE SELECTED COMPARABLE CITIES  
(1995 WAGES) \***

CITY	5 yrs. of Service	10 yrs. of Service	15 yrs. of Service	20 yrs. of Service
<b>EAST</b>				
<b>MOLINE (E)**</b>	\$32,501	\$33,176	\$33,976	\$34,276
<b>(U)***</b>	32,501	33,798	35,006	35,961
BELVIDERE	30,795	33,177	36,577	36,577
CHARLESTON+	-	-	-	-
COLLINSVILLE	35,693	37,086	37,814	38,854
EAST PEORIA	42,630	43,449	45,089	45,089
GALESBURG+	-	-	-	-
JACKSONVILLE	33,872	34,211	34,549	34,889
LINCOLN+	-	-	-	-
MATTOON	31,242	33,112	33,549	34,689
<b>RANKING (E)</b>	4 of 6	5 of 6	5 of 6	6 of 6
<b>RANKING (U)</b>	4 of 6	4 of 6	4 of 6	4 of 6

\* For the City of East Moline, the wages are based on the Parties' last final offers.

\*\* (E) represents proposed wages based on Employer's last final offer.

\*\*\* (U) represents proposed wages based on Union's last final offer.

+ no available information on wages for 1995.

An analysis of the above three (3) tables substantiates the Union's position that its final offer on wages and longevity pay would improve the relative pay of senior Police Officers over the three (3) year duration of the 1993-95 Agreement (Jt. Ex. 3) and that adoption of the City's final offer would widen the disparity in pay levels of senior Police Officers among the comparable communities. However, while East Moline ranks relatively low with respect to senior Police Officer wages for each of the three (3) years (1993, 1994 and 1995), it manages not to assume the lowest or last position in the rankings until the third year (1995) where, based on available information, East Moline assumes the bottom rank of sixth out of a total of six (6) cities. This bottom ranking, however, is not an assured standing as wage information for the Cities of Galesburg and Lincoln were unavailable for comparison and it appears that from past wage data, these two cities maintain a lower level of pay for senior Police Officers in comparison to East Moline. While the above comparisons support the Union's position that pay levels for senior Police Officers in East Moline are low relative to the selected comparable communities, said pay levels nevertheless fall within the pay range parameters of these comparable cities. That is, to say, that none of the pay levels for senior Police Officers fall outside the parameters of what appears to be an acceptable range of compensation for Police Officers with greater than five (5) years of service. If this were otherwise, the City of East Moline would be unable to retain an experienced peace officer labor force, something which the record evidence does not suggest. A review of a seniority roster dated June 10, 1994 reflects that of the 33 bargaining unit members arrayed in all four (4) Officer ranks (Police Officer, Sergeant, Lieutenant, and Captain), seventeen (17) or slightly more than half the Officers (51.5%) have thirteen (13) or more years of service and of this total, eight (8) Officers (47%) have twenty (20) or more years of service. Of the 22 bargaining unit members who hold the rank of Police Officer (also known as Patrolman), twelve (12) Officers (54.5%) have less than five (5) years of service; three (3) Officers (13.6%) have at least five (5) years of service but less than ten (10) years; two (2) Officers (9.1%) have more than ten (10) years of service but less than fifteen (15) years; two (2) Officers (9.1%) have more than fifteen (15) years of service but less than twenty (20) years; and the remaining three (3) Officers (13.6%) have twenty (20) or more years of service. According to the above statistics, a little less than two-thirds (63.7%) of all Officers comprising the bargaining unit have five (5) or more years of service whereas in the Police Officer ranks slightly less than half (45.5%) have more than five (5) or more years of service. These statistics would appear to suggest that any turnover taking place in this labor force is occurring more frequently during the first five (5) years of service where, according to the Union, wages are much more competitive, than it is taking place among the more senior Police Officers where, according to the Union and, as confirmed by the data in Tables 1 through 3 above, wages begin to fall behind the wages of their counterparts in the selected

comparable communities. Perhaps, as the Union asserts, the turnover in the rank of Police Officers will prove to be substantial now and in years to come among Officers with less than five (5) years of service because of their knowledge of lower relative wages being paid senior Police Officers but, as of today, these pay arrangements do not appear to be impacting the department as a whole in a grossly adverse way. It further appears the Employer has some idea of what the distribution of pay for the rank of Police Officers may portend for the future as the more senior Police Officers begin to retire as evidenced by its willingness in negotiations to address these types of potential pay problems.

However, as the pay arrangements currently exist, the Employer's last final offer cannot be faulted when evaluated from the perspective of the applicable Section 14(h) criteria whereas, contrary to the Union's position, its last final offer does, in fact, contain proposals that can be described as "breakthrough" in nature. Specifically, the proposal for longevity pay which is such an integral part of the Union's last final offer on wages has not been justified here by the Union within the context of the Section 14(h) criteria. While the Union contends its proposal on longevity pay would go a long way in boosting the pay of the more senior Police Officers, it is instructive to note that in negotiations, the Employer was unwilling to agree to the unique approach of rolling longevity pay adjustments into the wage base. In fact, as recognized by the Union itself through its proposal to eliminate longevity pay provisions from Article 20 of the Agreement (Jt. Ex. 3), once longevity pay adjustments are rolled into the wage base such wage boosts cease being longevity pay as that benefit is known in the public safety/security industry. By any standard, such a change whether accomplished in the voluntary negotiations phase of collective bargaining or granted in an involuntary arbitration phase can only be described as a "breakthrough" result something which interest arbitrators fairly universally have been reluctant to honor.

Had the Employer's last final offer on wages/longevity pay been shown not to comply with the applicable Section 14(h) criteria such as, not rising to the percentage increases typical of the industry, not comparable with percentage increases granted other bargaining units in East Moline, not matching or surpassing the cost of living and not falling within the wage range parameters of the selected comparable communities, then and only then under the extant circumstances would this Arbitrator have awarded the Union's last final offer irrespective of the fact that said offer contains proposals that yield breakthrough results. However, the Employer was able, through its evidence, to demonstrate that its last final offer did comply with the applicable Section 14(h) criteria and therefore, matched against the fact the Union's last final offer, if awarded would bring about breakthrough results, the Arbitrator is compelled by his obligations under IPLRA to find in favor of the Employer's last final offer on wages/longevity pay. This is not to

say that the Arbitrator is oblivious to all the shortcomings of an across-the-board percentage rate increase that the Union referenced in its well-reasoned arguments nor the fact that the wage disparities which presently exist will most certainly be exacerbated as also noted by the Union. What message this decision intends to send is one that differs from the Union's view of this outcome and that is, that when and if the Parties here ever attempt again to address specific wage problems perceived by them to be detrimental to their mutual best interest that they do so within the context of voluntary negotiations rather than rely on the decision of an interest arbitrator or arbitration panel. The evidence reveals the Parties came close in their last round of negotiations in reaching accords that would appear to have resolved some of the wage inequities that currently exist but that the deal was quashed when the Union fell short of achieving its objectives one hundred percent all in one shot at one time. In some cases, half a loaf is better than none and that proverb certainly applies in this case.

## SECOND ISSUE

### B. WAGE RETROACTIVITY

#### UNION

#### All Officers

- All employees employed on May 1, 1993 shall receive a retroactive increase in pay regardless of whether they are still actively employed

#### EMPLOYER

#### All Officers

- The only employees that shall receive a retroactive increase in pay are those actively employed on the date of the arbitration

## FINDINGS

### WAGE RETROACTIVITY

In reviewing the Parties' brief arguments in support of their respective positions, the Arbitrator finds no justification under the Section 14(h) criteria from withholding increases in pay that would have affected Officers on the payroll had those increases become effective at the time said affected Officers were employed in the East Moline Police Department. The fact that said increases in pay have been made retroactive to May 1, 1993 by mutual agreement of the Parties shall make those increases applicable to all employees who were actively employed on that date and from that

time henceforth until the date of their departure. In so finding, the Arbitrator rules to select the Union's last final offer pertaining to this issue.

### THIRD ISSUE

#### C. HEALTH INSURANCE PREMIUM CONTRIBUTION BY EMPLOYEES

##### UNION

##### All Officers

- Status Quo

The Employer pays one-hundred percent (100%) of the health insurance premium for both single coverage and family coverage

##### EMPLOYER

##### All Officers

- Employees to contribute toward the payment of health insurance premium on a monthly basis in equal amounts for both single coverage and family coverage beginning January 1, 1994 and increasing in dollar amount in each successive year as follows:

1/1/94 - \$15.00 per month  
 1/1/95 - \$20.00 per month  
 1/1/96 - \$25.00 per month

### FINDINGS

#### HEALTH INSURANCE PREMIUM CONTRIBUTION BY EMPLOYEES

There is no question with regard to this issue that maintaining the status quo, as the Union seeks to do here, would seemingly ignore an enlightened view of this benefit brought about by the great political debate of recent times over this nation's health care delivery system, exploding health care costs, and the role played by both the insurance industry in the private sector and government at the state and federal level in the public sector with respect to all health care issues. Once upon a time when the cost of health insurance was a relative "bargain" as compared to what it is today, those responsible for negotiating collective bargaining agreements on both sides perceived the providing of health care at no costs to employees as a reasonable benefit and simply another incidental cost of doing business. For most parties, the fringe benefit of health insurance for employees became one more consideration in the mix of how many total dollars business was willing and able to allocate toward compensating labor and, in many cases, given the

prevailing tax laws, it was more beneficial to both parties to put those dollars toward the purchase of health insurance rather than direct increases in wages. In a bit of understatement, times change, so that today the tradeoff between wages and health insurance which once made a lot of sense from strictly an economic point of view no longer is economically feasible.

While the record evidence does not reveal the bargaining history regarding the health insurance benefit, there can be little doubt that this fully paid for benefit by the City was a product of the tradeoffs made by the Parties in collective bargaining and that the level of pay increases over time was moderated by the ever increasing costs of health insurance premiums. This arrangement was acceptable as long as it remained mutually beneficial but, in light of all the developments that have occurred in health care in the country as a whole, such arrangement has increasingly become rare indeed and the trend industry-wide among most, if not all industries, is a move away from wholly subsidized health insurance benefits for employees, especially where dependent coverage is involved and a move toward the arrangement where employees pay a portion of the premium costs for health insurance. This trend has been evident in the public safety/security industry for some time now so that it is common to observe co-payment arrangements for health insurance premiums for family coverage health insurance but co-payment arrangements for health insurance premiums for single coverage have yet to proliferate in the "Police" industry as borne out by the Employer's own evidence in these proceedings. This perhaps is due to the greater risks to personal safety a police officer faces when just exposed to the everyday routine of performing his/her duties than is faced by the average employee in other, less hazardous, jobs. Whatever the reasons, however, single coverage health insurance at no cost to the employee exists as a fairly common benefit among police officers and since the Employer's offer does not separate out co-payment arrangements for single coverage and family coverage health insurance plans, to select the Employer's offer over that of the Union's offer is seen by the Arbitrator as granting a "breakthrough" arrangement.

While the Arbitrator is cognizant of the problems this finding will have on the City's insurance program as a whole because of the otherwise uniform arrangements, it has with other city employees, nevertheless, those uniform arrangements, except in the case of exempt employees, came to exist as a result of mutual agreement through negotiations. Had the Employer sought only to secure employee contributions for the payment of health insurance premiums for family coverage, the Arbitrator would have accepted its final offer, particularly in light of the monthly monetary amount being sought. However, like the Union which moved to include unique changes in longevity pay as part of its wage offer, the Employer attempted to do the same thing here by combining a common arrangement with an uncommon arrangement absent any compelling justification for accepting such an offer. Again, the proverb of

half a loaf is better than none is applicable here as well. Accordingly, the Arbitrator selects the Union's offer.

#### FOURTH ISSUE

#### D. HEALTH INSURANCE CONTINUATION FOR SURVIVING SPOUSE AND DEPENDENTS

- | <u>UNION</u>   | <u>EMPLOYER</u>  |
|--|--|
| <ul style="list-style-type: none"> <li>• Establish the right of surviving spouses and dependents to continue health insurance coverage at a cost to them equal to the reduced premium rates made available to retirees age 50 or over with 20 or more years of service until such time due to changing life circumstances the surviving spouse and dependents become eligible for coverage under another health insurance plan.</li> </ul> | <ul style="list-style-type: none"> <li>• <u>Status quo</u> - no establishment of this completely new benefit.</li> </ul> |

#### FINDINGS

#### HEALTH INSURANCE CONTINUATIONS FOR SURVIVING SPOUSE AND DEPENDENTS

While the Union advances cogent arguments in support of its position for the establishment of this benefit, it also acknowledges that this is a "breakthrough" issue. Consistency on the part of the Arbitrator compels the rejection of the Union's offer in favor of maintaining the status quo. Such a cutting edge benefit cannot be established in an interest arbitration forum; otherwise, there would essentially be little reason for parties to engage in collective bargaining over such issues. Accordingly, the Arbitrator adopts the Employer's last final offer with respect to this fourth issue.

**VII. AWARD**

Based on the rationale set forth in the preceding Section VI Findings, the Arbitrator directs implementation of the following Award:

- **FIRST ISSUE - WAGES/LONGEVITY PAY**

Employer's offer accepted. Wages shall be increased across-the-board as follows with no changes in longevity pay.

May 1, 1993 - 3%  
 May 1, 1994 - 5%  
 May 1, 1995 - 3%

- **SECOND ISSUE - WAGE RETROACTIVITY**

Union's offer accepted. Retroactivity of wage increases shall be applicable to all bargaining unit employees employed by the City as of May 1, 1993 through whatever date they remained an active employee prior to the expiration of this Agreement (Jt. Ex. 3).

- **THIRD ISSUE - HEALTH INSURANCE PREMIUM CONTRIBUTION BY EMPLOYEES**

Union's offer accepted. There shall be no employee contributions toward the monthly premium costs for health insurance for either single coverage or family coverage health insurance plans.

- **FOURTH ISSUE - HEALTH INSURANCE CONTINUATION FOR SURVIVING SPOUSE AND DEPENDENTS.**

Employer's offer accepted. No such benefit shall be established in this Agreement (Jt. Ex. 3).

---

GEORGE EDWARD LARNEY  
 Sole Interest Arbitrator

Chicago, Illinois  
 July 12, 1995