

IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN

ILLINOIS FRATERNAL ORDER)
OF POLICE LABOR COUNCIL) ISLRB NO. S-MA-93-119
and) Howard Eglit, Arbitrator
CITY OF ROCK ISLAND)

OPINION AND AWARD

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I. BACKGROUND

Pursuant to the Illinois Public Labor Relations Act, 5 ILCS §315/1 et seq. (hereinafter "IPLRA"), the City of Rock Island (hereinafter the "City") and the Illinois Fraternal Order of Police Labor Council (hereinafter the "Union") have submitted their final offers regarding three issues to the arbitrator, Howard Eglit.¹

The arbitrator was notified of his appointment by the Illinois State Labor Relations Board by a letter dated February 16, 1994. By letters dated March 1, 1994, both the Union and the City waived the statutory requirement that the hearing in this matter be commenced within 15 days of the arbitrator's appointment. By agreement of the parties, June 16, 1994 was set as the date for the hearing. By letter of June 7, 1994, the arbitrator responded in the affirmative (over the Union's objection) to the City's request for an extension of time regarding the commencement of the hearing.

July 7, 1994 was accordingly set as the rescheduled date of the hearing, which hearing was held on the premises of the Rock Island City Hall on that date.

At the hearing the Union was represented by Wayne M. Klocke, Esq. Also present for the Union were Becky S. Dragoo, Legal Assistant, and Ted Street, Field Representative for the Union. The City was represented by Arthur W. Eggers, Esq. Counsel were

¹ The parties waived the three-member arbitration panel that would be required absent the waiver.

afforded full opportunity to present and cross-examine witnesses, to present and examine evidentiary materials, and to present opening and closing statements. A reporter was present and a transcript of the proceedings was made. The parties, who waived closing statements, chose to submit post-hearing briefs. The initial date set for the submission of said briefs was extended, pursuant to the Union's request and with the assent of the City, to September 16, 1994.

While the briefs were timely filed by both parties, the Union on September 20, 1994 submitted an amended chart to supplant the chart that had been appended as Appendix C to its brief. Of more substantial note, on September 28, 1994 the City filed a Motion to Strike, which motion was prompted by a number of appendices (including Appendix C) and attachments that the Union had included with its brief, which appendices and attachments had not been offered as evidence (nor, obviously, admitted as such) in the course of the hearing. The arbitrator authorized the filing by the Union of a memorandum in opposition to the City's motion, as well as a responsive memorandum by the City, with the final memorandum to be filed no later than October 24, 1994.

In the interim the Union submitted a letter, dated October 14, 1994, to the arbitrator setting forth a correction regarding eight lines in its original brief.

The arbitrator ruled on the City's Motion to Strike on November 7, 1994, granting the motion in part and denying it in part. He further accepted the correction proposed by the City in

its October 14, 1994 letter. Subsequently, the parties -- prompted by details of the arbitrator's November 7 ruling that are not addressed here -- entered into a stipulation on December 10, 1994, whereby the City was authorized to submit a brief directed to the Union's post-hearing evidence; the Union also was authorized by that stipulation to submit a brief directed to the new evidence. Accompanied by letters dated December 21, 1994, the briefs were timely filed by both parties.² The arbitrator's opinion and award follow.³

II. THE STATUTORY BACKDROP

Effective January 1, 1986, the Illinois Public Labor Relations Act, 5 ILCS §315/1 et seq., was made applicable to police and firefighters. The Act requires interest arbitration if negotiation and mediation fail to resolve impasses. Section 14(g), 5 ILCS §315/14(g), of the statute provides as to economic issues that "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) of the Act." Subsection (h), 5 ILCS §315/14(h), provides as follows:

² December 21 fell on a Wednesday; due to the Christmas holiday, the briefs were in fact not received by the arbitrator until early the next week.

³ At the hearing the parties waived the statutory requirement that the opinion and award issue within 30 days of the conclusion of the hearing. (For the purposes of time computations, it is the arbitrator's view that the hearing concluded on December 27, 1994, with the receipt by the arbitrator of the briefs that were placed in the mail on December 21, although inasmuch as the parties waived the time requirement of the statute, it is really unnecessary to identify with precision the date on which the hearing concluded.)

Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement, or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended 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, 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 statute does not require that all of the foregoing factors be addressed; rather, it is only those which are "applicable" that are to be considered. Moreover, the statute makes no effort to rank these factors in terms of their significance, and so it is for the arbitrator to make the determination as to which factors bear most heavily in this particular dispute.⁴

III. THE PARTIES' RELATIONSHIP AND THE ISSUES BEFORE THE ARBITRATOR

The Fraternal Order of Police Labor Council is the bargaining agent for the sworn police command officers employed by the City of Rock Island. These officers hold the ranks of sergeant, lieutenant, or captain.⁵ The last finalized contract between the parties terminated on March 31, 1993. The parties negotiated a new

⁴ The Illinois statute is based, virtually word for word, on Michigan's statute. With regard to Michigan law, the Michigan Supreme Court has stated as follows:

It is the panel which must make the difficult decision of determining which particular factors are more important in resolving a contested issue under the singular facts of a case, although, of course, all "applicable" factors must be considered.

City of Detroit v. Detroit Police Officers Assn., 408 Mich. 410, 294 N.W.2d 68, 105 LRRM 3083, 3103 (1980). Accord City of Boston, 70 LA 154, 160 (addressing Massachusetts statute). See also Laner & Manning, Interest Arbitration: A New Terminal Impasse Resolution Procedure for Illinois Public Sector Employees, 60 Chicago-Kent L. Rev. 839, 856 (1984).

⁵ The Union also represents sworn personnel below the rank of sergeant; they are members of a different bargaining unit, however, and their contract with the City is not at issue here.

contract, to run until March 31, 1995, but they were unable to agree as to three issues, i.e., the amount of the wage increase to be provided to lieutenants and captains for 1993 - 1994 and 1994 - 1995; whether overtime compensation should be paid; and whether there should be an increase in longevity pay. All three matters involve economic issues, for the purposes of IPLRA.

The final offers of the parties are as follows:

Issue	City's Final Offer	Union's Final Offer
1. Wage Increase	1993/1994:	1993/1994:
	All employees: 5.545% (4.5% + 1%)	Sergeants: 5.545% (4.5% + 1%) Lieutenants: 6.0675% (4.5% + 1.5%) Captains: 6.59% (4.5% + 2%)
	1994/1995:	1994/1995:
	All employees: 5.545% (4.5% + 1%)	Sergeants: 5.545% (4.5% + 1%) Lieutenants: 6.0675% (4.5% + 1.5%) Captains: (4.5% + 2%)
2. Overtime	Current contract	Sergeants [⁶] to be paid

⁶ Exhibit B, attached to the pre-hearing stipulation which was entered and admitted as Joint Exhibit 1, conforms to the text. More specifically, it addresses overtime just for sergeants. The Union's brief is in accord. (Union Br., at 9). The City's brief, however, uses the word "Employees," rather than "Sergeants," and thus represents that overtime is being sought, at the rate prescribed, for all command level personnel, i.e., sergeants, lieutenants, and captains. (City Br., at 5, 39). The arbitrator will abide by the Exhibit appended to the stipulation and

at the rate of 1 1/2 times
 regular hourly rate of pay
 for all hours worked beyond
 41 for personnel assigned
 to 10.25 hour shift; or
 41.25 for personnel
 assigned to an 8.25 hour
 shift, with call back and
 court time minimums and
 comp time option as
 currently received by
 patrol officers and
 investigators.

3. Longevity	Current contract:	Add \$100 at each step:
	5 yrs. \$ 600.00	5 yrs. \$ 700.00
	10 yrs. 1,200.00	10 yrs. 1,400.00
	15 yrs. 1,800.00	15 yrs. 2,100.00
	20 yrs. 2,400.00	20 yrs. 2,800.00
	25 yrs. 3,000.00	25 yrs. 3,500.00

IV. THE UNION'S POSITIONS

A. The Matter of Comparables

The Union has identified five municipalities that it deems to be comparable, for the purposes of this interest arbitration, with Rock Island. These are Belleville, Moline, Normal, Quincy, and Urbana. (The City is in accord as to these five, but it also includes Danville, Granite City, Alton, Galesburg, and Pekin.)

The main point of the Union's argument is that population alone is an inadequate basis for determining appropriate comparables. One must also take into account both financial and demographic data. Thus, the City's listing of comparables, which the Union claims is based solely on the population factor, is inadequate and misplaced.

In support of identifying Belleville, Moline, Normal, Quincy,

understands the impasse to center only on the question of sergeants' eligibility for overtime.

and Urbana as the only appropriate comparables, the Union points out that the mean 1990 population of these five cities is 40,407, which is nearly identical to Rock Island's actual population, in 1990, of 40,552. The per capita income of the five is also very close to that of Rock Island: \$12,661 for the five comparables, \$12,381 for Rock Island. Median household incomes also are very close: \$25,717 for the five, \$24,131 for Rock Island. Insofar as geographical location is concerned, the mean distance of the five cities from Rock Island is 141.2 miles.⁷ In contrast, the Union points out, the mean distance for the comparables proffered by the City is 152.3 miles.⁸

The Union's Exhibit 6, which includes a number of tables and other data speaking to the issue of its five proposed comparables, reveals some additional factors:

-- The median home value, according to 1990 census data, for the five comparables ranged from a high of \$74,000 (Normal) to a low of \$41,800 (Quincy). The mean was \$58,580. The median home value for Rock Island was \$44,100.

-- According to 1993 financial reports, the number of employees of the five comparables ranged from a high of

⁷ The distances range as follows: Belleville, 233 miles; Moline, 2 miles; Normal, 137 miles; Quincy, 145 miles; and Urbana, 189 miles.

⁸ Like the Union, the City includes on its list Belleville, Normal, Quincy, Moline, and Urbana. The City also includes Alton, 209 miles; Danville, 222 miles; Galesburg, 55 miles; Granite City, 233 miles; and Pekin, 98 miles.

520 (Moline) to a low of 227 (Urbana). The mean was 357. Rock Island's total was 422.

-- The equalized assessed valuation (EAV) of the property situated within the comparables ranged, according to 1993 financial reports, from a high of almost \$315 million (Moline) to a low of \$203+ million (Quincy). The mean was \$258,635,000. The EAV for Rock Island was \$210+ million.

-- According to 1993 financial reports, the total salaries and wages paid to city employees ranged from a high of \$12.72 million (Moline) to a low of \$7.4 million (Urbana). The mean was \$9.65 million. The total for Rock Island was \$11.04 million.

-- According to 1993 financial reports, the general fund revenue data for the five comparables showed that total receipts ranged from a high of \$15,444,000 for Moline to a low of \$10,171,000 for Urbana. The mean was \$12,022,000. The total for Rock Island was \$16,603,000.⁹

⁹ A breakdown of receipts revealed the following:

-- Local tax revenues ranged from a high of \$10,879,000 in Moline to a low of \$6,527,000 in Quincy. The mean was \$7,596,000. The tax revenues for Rock Island totaled \$10,269,000.

-- Intergovernmental receipts ranged from a high of \$5,647,000 in Normal to a low of \$1,339,000 in Urbana. The mean was \$2,828,000. The total for Rock Island was \$2,820,000.

-- Other local sources of revenues ranged from a high of \$2 million in Normal to a low of \$995,000 in Quincy. The mean was \$1,598,000. The total for Rock Island was \$3,515,000.

-- According to 1993 financial reports, general fund expenditures for the five comparables ranged from a high of \$15,353,000 for Moline to a low of \$9,220,000 for Urbana. The mean was \$11,539,000. The total for Rock Island was \$14,294,000.

-- According to 1993 financial reports, the expenditures for public safety by the five comparables ranged from a high of \$7,716,000 by Moline to a low of \$4,488,000 by Normal. The mean was \$5,926,000. The total for Rock Island was \$8,226,000.

-- According to 1993 data, the total crime index for the five comparables ranged from a high of 2,697 in Moline to a low of 1,656 in Normal. The mean was 2,138. The total for Rock Island was 2,908.

-- According to the Union's extraction of information from the collective bargaining agreements negotiated by the five comparables and Rock Island,¹⁰ the wages for sergeants are as follows:

<u>City</u>	<u>Minimum</u>	<u>Maximum</u>
Belleville	\$28,458	\$38,487
Moline	34,381	42,992
Normal	40,026	48,031
Quincy	37,155	37,155
Rock Island	28,389	40,817
Urbana	37,190	42,397

The averages, excluding Rock Island, are a minimum of

¹⁰ All the agreements were in effect as of either April 1, May 1, or July 1, 1994.

\$35,442 and a maximum of \$41,812. Thus, the minimum for Rock Island is \$7,053 less than the average for the five comparables and the maximum for Rock Island is \$995 less than the average for the five comparables.

-- According to the Union's extraction of information from the collective bargaining agreements negotiated by the five comparables and Rock Island,¹¹ the wages for lieutenants are as follows (not including the differing proposed increases that are at issue here):

<u>City</u>	<u>Minimum</u>	<u>Maximum</u>
Belleville	\$44,000	\$44,000
Moline	37,738	46,978
Normal	45,600	45,600
Quincy	40,883	40,883
Rock Island	30,965	44,263
Urbana	44,859	53,428

The averages, excluding Rock Island, are a minimum of \$42,616 and a maximum of \$46,178. Thus, the minimum for Rock Island is \$11,651 less than the average for the five comparables and the maximum for Rock Island is \$1,915 less than the average for the five comparables.

-- According to the Union's extraction of information from the collective bargaining agreements negotiated by the five comparables and Rock Island,¹² the wages for captains are as follows (not including the differing

¹¹ All the agreements were in effect as of either April 1, May 1, or July 1, 1994.

¹² All the agreements were in effect as of either April 1, May 1, or July 1, 1994.

proposed increases that are at issue here):

<u>City</u>	<u>Minimum</u>	<u>Maximum</u>
Belleville	\$45,600	\$45,600
Moline	37,738	46,978
Normal	51,000	53,000
Quincy	44,611	44,611
Rock Island	33,113	47,143
Urbana	N/A	N/A

The averages, excluding Rock Island, are a minimum of \$44,737 and a maximum of \$47,547. Thus, the minimum for Rock Island is \$11,624 less than the average for the five comparables and the maximum for Rock Island is \$404 less than the average for the five comparables.

It is Moline that the Union particularly stresses as being the municipality most comparable to Rock Island. In this regard, the Union points to Moline's geographical proximity; the similarity in population of the two cities;¹³ the closeness in total annual municipal wages and salaries (Moline -- \$12,716,000; Rock Island -- \$11,039,000); and the closeness of the two cities in terms of local tax revenues (Moline -- \$10,879,000; Rock Island -- \$10,269,000) and intergovernmental receipts (Moline -- \$2,890,000; Rock Island -- \$2,820,000). The Union further points to the similarities in expenditures by the two cities (Moline -- \$15,353,000; Rock Island -- \$14,294,000) and in their crime indices (Moline -- 2,697; Rock Island -- 2,908).

¹³ According to the 1990 census, Moline had 43,202 residents, and Rock Island had 40,552. According to its 1993 financial report, the City of Moline estimated its population for 1992 as being 45,200 (Union Exh. 6, Tab 3); no comparable estimate was given by Rock Island in its 1993 report.

In further support of its emphasis on Moline as the most compelling comparable, the Union points out that the two cities' comparable crime index rates "establish that the volume and type of work performed by the members of the Moline and Rock Island police departments is very similar." (Union Br., at 7). Moreover, pursuant to Illinois statute, "the power of local police is extended into adjoining municipalities with[in] the same county." (Id. at 8). Thus, the officers of Rock Island render assistance to their Moline counterparts, and so the two cities' police may wind up working side-by-side, performing similar duties.

Insofar as Rock Island's receipt of revenues from the riverboat gambling industry accounts for some of its revenues, and so differentiates Rock Island from Moline, which does not receive like revenues, the Union discounts this fact, albeit without explanation.¹⁴ (Union Br., at 7). As for the fact that Moline may receive revenues that Rock Island may not (i.e., higher property tax and sales tax revenues), the Union contends that while the City "emphasizes that Moline has sources of revenue which Rock Island does not, it is also clear that Rock Island has revenue sources which does Moline does not." (Union Br., at 9).

B. The Overtime Compensation Issue

¹⁴ Perhaps, the point being suggested (by inference, at best, since certainly nothing is expressly set forth) is that some of these revenues are presumably somewhat shaky (that was the thrust of the testimony offered by one of the City's witnesses, who manages the Rock Island riverboat gambling operation), given the uncertainties of the gambling industry, generally, and of its continuing success in Rock Island, specifically.

The parties reached impasse over the issue of overtime compensation for sergeants, who as of this time do not earn such compensation. The Union has proposed a provision setting forth a formula for the award of overtime pay, as quoted above in the section setting forth the parties' final offers. The City resists any contractual language that would establish an entitlement to overtime compensation.

The Union stresses that Rock Island patrol officers receive overtime compensation.¹⁵ The Union also looks, in terms of internal comparability, to the treatment of Rock Island fire department lieutenants, who have historically been compared by the firefighters union to police sergeants for bargaining purposes. According to the testimony of David Sterofsky, a Rock Island

¹⁵ Article XV, §15.4 of the patrol officers' contract provides as follows:

Employees shall be paid one and one-half (1-1/2) times their regular hourly rate of pay for all hours worked beyond forty-one (41) for personnel assigned to a ten and one-quarter (10.25) hour shift; or forty-one and one-quarter (41.25) for personnel assigned to an eight and one-quarter (8.25) hour shift, which may occur in their seven (7) day work departmental work schedule. Hours determined at the conclusion will be compensated for on the pay period immediately following the end of the seven (7) day work schedule.

Employees may elect to accrue compensatory time in lieu of a cash payment for overtime at the employee's discretion. Compensatory time shall be accrued at the rate of one and one-half (1-1/2) hours for each compensatory hour earned and shall be subject to the limitations outlined in Section 16.6....

firefighter who was called to testify by the Union, a fire department lieutenant supervises up to three people, and he or she is in charge of a given fire scene until a higher ranking officer arrives. Unlike police department sergeants, fire department lieutenants receive overtime pay.

The Union argues that not just internal comparability, in and of itself, justifies a contractual provision making sergeants eligible for such pay. The Union further contends that sergeants often wind up doing work identical to that performed by patrol officers, and indeed it called as witnesses Rock Island sergeants who testified as to the large numbers of hours they put in over and above their standard work weeks performing a variety of tasks, including some identical to those performed by non-command officers. Thus, according to the Union, it is unfair and inequitable that sergeants are not compensated as well as are their subordinates.

Looking to external comparables, the Union stresses that the sergeants in the comparable municipalities that the Union has identified, i.e., Belleville, Moline, Normal, Quincy, and Urbana, all normally receive overtime pay on the same basis as do the patrol officers in those municipalities. As for the other five municipalities to which the City points as comparables,¹⁶ the Union -- while acknowledging that Galesburg does not pay overtime to sergeants -- claims that that circumstance is offset by the fact

¹⁶ As discussed below, the arbitrator has rejected one of these, i.e., Pekin, as a comparable.

that the sergeants in the other four cities do routinely receive overtime pay on the same basis as do their subordinate officers.

In sum, the Union argues that the award of overtime compensation to sergeants would not constitute a breakthrough, but rather would be "a necessary step to bring the Rock Island Sergeants in line with their counterparts in Rock Island's own fire department and in the police departments of the comparable municipalities." (Union Br., at 12).

The Union does not address the other factors set forth in §14(h) of IPLRA with any specificity, insofar as these factors might or might not relate to the overtime pay issue. As general matters, however, the Union's views are (1) that the fifth factor set forth in §14(h) -- i.e., the cost of living issue -- is inapplicable, given that the parties have already agreed to a base 4.5% wage increase, and (2) the first, third, fourth, sixth and eighth factors most strongly support its position.

C. The Longevity Issue

The Union proposes that the longevity plan currently in place, i.e., \$600 every five years, should be increased to \$700 every five years. The City argues for the status quo.

The Union makes the argument that because longevity payments are flat amounts, i.e., \$600 for every five years of service, the actual proportional value of these increases -- that is, the percentage of total compensation that these increases constitute -- declines as base salary increases. In other words, \$600 is a smaller percentage of a \$22,000 base salary than it is of a \$20,000

base salary. Thus, given that the salaries of sergeants have increased as a result of the parties' agreement, and given, further, that the salaries of lieutenants and captains also have increased (no matter which final offer is adopted by the arbitrator), it follows that longevity payments likewise should be increased so as to offset (in part) the diminution of their percentage relationship to base salary.

Looking to the matter of internal comparability, the Union points out that longevity pay for Rock Island firefighters is, in accordance with their contract with the City, based on \$700 increments for all members of the firefighters' union. And looking to the municipalities that it has identified as appropriate comparables, the Union contends that its proposal is in line with their longevity pay schemes. In its exhibit book, the Union includes a table showing these schemes, and draws from the data the following conclusions:

The Union's ... proposed longevity amounts in no way constitute a "breakthrough." Rather the amounts most closely approximate prevailing standards in the industry. For example, the longevity range in Moline for sergeants and lieutenants exceeds that in Rock Island in normal longevity ranges up to twenty percent (20%). In Urbana, longevity ranges up to fourteen percent (14%) for sergeants.... Even with the increase proposed by [the] Union, longevity in Rock Island will be an approximate maximum of ten percent (10%) or less.

(Union Br., at 14).

D. The Wage Increase -- or Rank Differential -- Issue

The parties have agreed on the wage increases for sergeants

for 1993-94 and 1994-95. They differ insofar as lieutenants and captains are concerned. The Union's final offer is an increase in compensation for lieutenants of 6.0675% for both 1993-94 and 1994-95, these increases each being made up of a 4.5% increase plus a rank differential of 1.5%. As for captains, the Union proposes compensation increases of 6.59% for both 1993-95 and 1994-95, these increases each being made up of a 4.5% increase plus a rank differential of 2%. The City proposes increases -- for both lieutenants and captains -- of 5.545% (4.5% plus a 1% rank differential) for both 1993-94 and 1994-95. In dollar terms the difference between the City's and the Union's proposals amounts to \$20,788.

(In a document entitled "Last and Final Offers," which is one of the exhibits attached to their pre-hearing stipulation (Jt. Exh. 2, Exh. B), the parties described the remaining economic issue as involving a "[w]age increase." In its post-hearing brief, the Union maintains that, notwithstanding that designation, what is really at issue is the Union's proposal for compensation constituting what it terms a "rank differential." The Union reasons as follows:

[T]he history of these negotiations and an examination of Stipulation Exhibit "B" discloses that the base wage increase of 4.5% was separately negotiated and has been agreed upon. The remaining "wage" issue evolves from the Union's proposal that the rank differential be increased. By including a one percent (1%) increase for rank differential in its final offer, the Employer recognizes the need and legitimacy of some increase of the rank differential. The Union seeks a rank

differential increase greater than that offered by the Employer for the purpose of alleviating what it sees as an unusually compressed wage schedule between the ranks.

(Union Br., at 2).)

The Union maintains that an increase in the rank differential between sergeants and lieutenants, and between lieutenants and captains, is necessary because under the existing compensation scheme there is insufficient monetary incentive for patrol officers and sergeants to seek promotion to lieutenant, and for lieutenants to seek promotion to captain. The inadequate rank differentials also contribute to premature retirement by supervisory personnel, thereby depriving the department of "a core of leadership and experience which is essential to the younger rank and file officers." (Union Br., at 18). The public welfare is thus jeopardized because "[e]ffective front line supervision is a cornerstone in delivery of good police service." (Id. at 16). Moreover, the City is harmed if it does not have first rate supervisory police personnel because effective supervision can diminish police errors, which can, if not averted or avoided, lead to liability resulting from police misconduct.

In support of its proposal regarding increases in rank differentials, the Union claims that "many of the other comparable departments have already recognized the need to compensate their command officers at substantially higher rates." (Union Br., at 18). The Union points specifically to Moline, contending that on the basis of the testimony of one of the Union's witnesses and an

exhibit admitted through him, it was established that the annual pay for Moline sergeants ranged from \$34,380.94 to \$42,992.14, while the annual pay for lieutenants ranged from \$37,738.27 to \$46,977.63. Moreover, the differential between Moline police officers and sergeants at each step is a minimum of \$3,500.00 and as much as \$5,500.00. (However, the Union's data also showed that the rank differential between lieutenants and captains was 0.) As for all the Union's comparables, the Union's data, submitted as a part of its exhibit book, showed the following (including the changes resulting from adoption of either the Union's or the City's proposals):

City	Sgt. Maximum	% differ- ential be- tween ranks	Lt. Maximum	% differ- ential be- tween ranks	Capt. Maximum
Bellev.	\$38,487	14.32%	\$44,000	3.64	\$45,600
Moline	42,992	9.27%	46,978	0	46,978
Normal	48,031	-5.06	45,600	16.23	53,000
Quincy	37,155	10.03	40,883	9.12	44,611
Urbana	42,397	26.02	53,428	NA	NA
Rock I.	40,817	8.44	44,263	6.51	47,143
Union proposal, 1993	40,817	8.44	43,079	6.98	46,087
Union proposal, 1994	43,414	11.5	45,510	7.51	48,926
City pro- posal, 1993	40,817	5.06	42,881	6.49	45,664
City pro- posal, 1994	40,817	10.48	45,093	6.51	48,030

The Union also addresses the third factor set forth in §14(h) of IPLRA, i.e., "[t]he interests and welfare of the public and the

financial ability of the unit of government to meet those costs." The Union points out that the City has disclaimed any inability to pay the increases sought by the Union. Beyond that, the City's general total revenues exceeded its expenditures in 1992 by more than \$2 million, and its ending fund balance rose by nearly \$2 million between fiscal 1992 and fiscal 1993.¹⁷ From these facts the Union moves to the conclusion that the increased rank differential pay for lieutenants and captains will promote the interests and welfare of the public.

V. THE CITY'S POSITIONS

A. The Matter of Comparables

The City identified ten cities as comparables: Danville, Granite City, Moline, Quincy, Pekin, Galesburg, Alton, Urbana, Belleville, and Normal. Its primary bases for selecting these ten are population and geographical proximity. Using these criteria (but excluding municipalities in the Chicago metropolitan area), the City used a plus-or-minus factor of 25%. In other words, it designated cities whose populations were no more than 25% less than, or greater than, Rock Island's.¹⁸

B. The Overtime Compensation Issue

¹⁷ Moreover, the evidence, in the Union's view, "points to significantly improved economic circumstances in Rock Island," (Union Br., at 23), as reflected by increased building permit activity.

¹⁸ The populations, according to the City's recitation of figures derived from the 1990 census, are as follows: Rock Island, 40,552; Danville, 33,828; Granite City, 32,762; Moline, 43,202; Quincy, 39,681; Pekin, 32,254; Galesburg, 33,530; Alton, 32,905; Urbana, 36,344; Belleville, 42,785; and Normal, 40,023.

The City resists the award of any overtime compensation to police sergeants. It contends that its treatment of the overtime pay issue is internally consistent throughout its work force: "[t]he policy of the City is that overtime is only paid to those employees for whom overtime is required under the Fair Labor Standards Act ("FLSA")." (Id.) "In other words, if an employee meets the 'duties test' and the 'salaried test' in order to be exempt from the FLSA, the employee is not paid overtime." (Id.) If the City were to now start paying overtime compensation to police sergeants as a matter of course, this development would lead to other city employees demanding like treatment, and that development would "have an extremely disruptive effect on the relations between the City and its employees." (City Br., at 41).

As for the matter of comparability, the City's argument is that its proposal regarding a wage increase for command officers is higher than was the wage increase afforded to patrol officers, and that higher increase reflected the recognition by the City that command officers do not generally receive overtime pay.¹⁹ Thus, if the Union's proposal were to be adopted, the result would be that the command officers would effectively receive a double benefit,

¹⁹ The City also contend that "[t]his is also the way the City settled in negotiations with the Command Officers in the Fire Department." (City Br., at 42). It is not quite clear what is meant by this assertion, since fire department command officers do receive overtime pay. Perhaps the City means that the pay increase negotiated for fire department command officers would have been higher but for the fact that such officers do receive overtime pay. In other words, the pay increase reflected the City's recognition of the availability of overtime compensation.

i.e., both a higher wage increase than patrol officers and overtime compensation.

Looking to the other factors set forth in §14(h) of IPLRA, the City asserts that the first factor, i.e., the lawful authority of the employer, is not in question: the City concededly has the authority to implement whichever final overtime offer is adopted by the arbitrator. The second factor, regarding stipulations of the parties, is inapplicable since there is no stipulation here. The third criterion, i.e., "the interests and welfare of the public and the financial ability of the" [City] to pay, is not at issue in the sense that the City concedes that it does have the ability to pay.

On the other hand, the mere ability to pay does not lead to the conclusion that the City should pay: the arbitrator's task is to select the most reasonable final offer, based on the criteria set forth in §14(h). The seventh factor, i.e., changes in circumstances during the pendency of the arbitration, also is inapplicable.

With regard to taking into account the cost of living -- a factor specified by §14(h)(5), the City points out that its wage increase proposal, standing alone, is far in excess of the cost of living increase for 1994. Thus, the City argues, the adoption of the Union's overtime compensation offer is not warranted by the cost of living factor. (At the hearing, the City introduced data showing that the monthly cost of living increases for urban wage earners and clerical workers between January and May, 1994 had ranged from a high of 2.4% in January to a low of 2.1% in May.

(City Exh. 2). And the consumer price index for all urban consumers (CPI-U) for the same period showed percentage changes ranging from a high of 2.5% in the first three months of 1994 down to 2.3% in May, 1994.)

The sixth factor set forth in §14(h) is overall compensation.

The City contends that this factor provides very strong support for rejecting the Union's proposal. It argues that the City's wage proposal (5.545% for each year of a two-year contract) is the highest of any of the comparable cities²⁰ and it further points out that Rock Island ranks second in terms of paid time off. Accordingly, the command officers' overall compensation, as it stands independent of overtime pay, does not warrant adoption of the Union's proposal.

The City also briefly addresses the last, catch-all provision of §14(h), i.e., §14(h)(8). This factor directs the arbitrator to take into account "other factors ... which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, ... arbitration or otherwise, ... in the public service or in private employment." The City contends that the adoption of overtime compensation for sergeants would constitute a breakthrough, overriding the status quo that has existed for at least 15 years, i.e, the unavailability of overtime compensation for sergeants except when required by the FLSA.

²⁰ The wage proposal is discussed below.

Inasmuch as breakthroughs in the context of interest arbitrations "are normally or traditionally" disfavored, to use the language of §14(h)(8), it follows that the Union proposal should be rejected.

C. The Longevity Issue

Looking to the factors set forth in §14(h) of IPLRA, the City asserts that the first factor, i.e., the lawful authority of the employer, is not in question: the City concededly has the authority to implement whichever offer regarding longevity is adopted by the arbitrator. The second factor, regarding stipulations of the parties, is inapplicable, since there is no stipulation here. The third criterion, i.e., "the interests and welfare of the public and the financial ability of the" City to pay, is not at issue in the sense that the City concedes that it does have the ability to pay. On the other hand, the mere ability to pay does not lead to the conclusion that the City should pay: the arbitrator's task is to select the most reasonable final offer, based on the criteria set forth in §14(h). The seventh factor, i.e., changes in circumstances during the pendency of the arbitration, also is inapplicable.

With regard to the comparability issue, the City points to the fact that insofar as internal comparability is concerned, Rock Island patrol officers receive the same amounts of longevity compensation as do command officers. The City maintains that the the longevity pay scheme applicable vis-a-vis firefighters is far less relevant, since the "Firefighters are not as closely related to the Police Department Command Officers as are the Patrol

Officers." (City Br., at 47). Moreover, the same differential between the longevity pay of patrol officers and command officers existed in 1990, when the current agreement was negotiated. That differential was not negotiated then, and nothing has changed since that time that would warrant now changing the police command officers' longevity pay scheme so as to make it replicate that of the firefighters.

Insofar as external comparability is concerned, the City's position is that there is great variation among the 10 cities that it identifies as being sufficiently like Rock Island to serve as comparables here. Accordingly, there is no basis for arguing that these external comparable provide support for the breakthrough that the Union's proposal represents. The comparables, according to a phone call-based survey conducted by Mari Macomber -- Rock Island personnel director and assistant city manager -- and by an assistant of Ms. Macomber, have the following longevity plans:

City	Year 5	Year 10	Year 15	Year 20	Year 25
Alton	4%	7%	9.5%	12%	14%
Belleville	*	*	*	*	*
Danville	2%	5%	10%	11%	11%
Galesburg	2%	4%	6%	8%	10%
Granite C.	5%	7%	8%	10%	10%
Moline	0%	2.25%	4.5%	4.5%	4.5%
Normal	NA	NA	NA	NA	NA
Pekin ²¹	*	*	*	*	*
Quincy	NA	NA	NA	NA	NA
Urbana	NA	NA	NA	NA	NA

* Longevity is incorporated into the wage scales.

²¹ As discussed below, the arbitrator has rejected Pekin as a comparable.

According to the City, the \$600 pay increments paid by Rock Island work out to the following percentage increases: year 5 -- 2.1%; year 10 -- 4.02%; year 15 -- 6.03%; year 20 -- 8.5%; and year 25 -- 10.10%.

With regard to taking into account the cost of living -- a factor specified by §14(h)(5), the City points out that its wage increase proposal, standing alone, is far in excess of the cost of living increase for 1994. Thus, the City argues, the adoption of the Union's longevity pay offer is not warranted by the cost of living factor. (As noted earlier in the context of discussing the overtime pay issue, the City introduced data showing that the monthly cost of living increases for urban wage earners and clerical workers between January and May, 1994 had ranged from a high of 2.4% in January to a low of 2.1% in May. (City Exh. 2). And the consumer price index for all urban consumers (CPI-U) for the same period showed percentage changes ranging from a high of 2.5% in the first three months of 1994 down to 2.3% in May, 1994.)

The City also argues that the sixth factor set forth in §14(h) of IPLRA, i.e., the matter of overall compensation, strongly supports its position. Its proposed increases, the City points out, are the highest of any of the comparable cities; these increases improve the City's ranking vis-a-vis those other cities insofar as wage schedules are concerned;²² and the City ranks second in terms of paid time off. Thus, it follows that the City's

²² The wage increase proposals are discussed below.

proposal, i.e., to maintain the status quo, is more reasonable than is that of the Union.

Finally, in addressing §14(h)'s eighth criterion, i.e., the factors normally or traditionally taken into account, the City argues that the Union's proposal represents a breakthrough, and breakthroughs generally are disfavored absent any strong reasons justifying them. Here, there is no strong justification for the Union's proposed longevity increases. Indeed, the City argues, the current longevity formula is of longstanding duration; the parties have negotiated agreements under the current plan without that plan being changed; and longevity amounts do not usually change each time a new contract is negotiated.

D. The Wage Increase -- or Rank Differential -- Issue

In speaking to the conflicting final offers of the City and the Union regarding wage increases for lieutenants and captains, the City asserts that the first factor set forth in §14(h) of IPLRA, i.e., the lawful authority of the employer, is not in question: the City concededly has the authority to implement whichever offer is adopted by the arbitrator. The second factor, regarding stipulations of the parties, is inapplicable, since there is no stipulation here. The seventh criterion, i.e., changes in circumstances, is of no significance here, according to the City. Likewise, in the City's view the eighth criterion, i.e., "other factors normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through ... arbitration..." is not significant here.

The other criteria set forth in §14(h) of IPLRA are of more substantive relevance. The third criterion, i.e., "the interests and welfare of the public and the financial ability of the" City to pay, is not at issue, in the City's view: "'The interests and welfare of the public" is always to receive an adequate amount of public service from city government on the most cost-effective basis possible." (City Br., at 9). Insofar as ability to pay is concerned, the City concedes that it has that ability. What the City does not concede is that because it can pay, it follows that it should pay. "[R]egardless of inability to pay or ability to pay on the part of the City, the Arbitrator should select the wage increase proposal which he finds the most reasonable applying the balance of the criteria set forth in the Act." (City Br., at 10).

The fifth criterion set forth in §14(h) is the cost of living. The City points out that the rise in the cost of living has been quite low in recent years (as discussed above), and accordingly this factor militates against the Union's proposal.

1. Comparables

Subsection 4 of §14(h) focuses on comparables. The City deems this subsection to have particular relevance here. As already discussed, the City identifies 10 cities that it believes to be appropriate for comparison purposes. Five of these are the same cities to which the Union points, i.e., Moline, Quincy, Urbana, Belleville, and Normal. In addition, the City identifies Danville, Granite City, Pekin, Galesburg, and Alton. In explaining why these 10 comprise the appropriate group of comparable municipalities, the

City explains that it relied on the factors of population and geographical proximity.

"In order to refine external comparability," (City Br., at 13), the City also takes into account the factor of population change. It points out that of the comparable cities, Rock Island had the greatest decline in population between 1980 and 1990, i.e., 13.39%. At the other extreme, Normal had an increase of 12.2%. Even the median change -- the 5.4% decline experienced by Pekin -- was much less than Rock Island's. The City argues that population change is very important because serious declines, such as that suffered by Rock Island, translate into decreased property values and decreased property tax reserves. And what makes these declines particularly noteworthy is the fact that real estate tax payments are the largest revenue source for the general fund, from which the compensation for command officers comes. Despite all this, the City points out, Rock Island's final offer regarding wages is in fact the largest of any of the comparable cities.

The City also focuses, in the name of refining the issue of comparability, on the concept of "'effort'." (City Br., at 15). The City points out that Rock Island spent \$8,226,433 on public safety (i.e., firefighting and police services) in the fiscal year ending March 31, 1993. This was more than was spent by any of the comparable municipalities.²³ Likewise, Rock Island ranked first in

²³ According to one of the charts in the City's exhibit book (City Exh. 3), the expenditures (from high to low) were as follows: Rock Island -- \$8,226,433; Moline -- \$7,716,473; Danville -- \$6,673,059; Quincy -- \$6,397,258; Granite City -- \$6,344,143; Alton

terms of per capita public safety expenditures.²⁴ To these figures the City adds the factor of general fund expenditures. It claims that Rock Island ranked second in annual general fund expenditures.²⁵ On a per capita basis, it ranked third (and only a couple of dollars below the first two cities, Danville and Moline).²⁶ The City further points out that the single most significant source of general fund revenues is the property tax, and that Rock Island has "an extraordinarily high property tax rate, which directly relates to the concept of 'effort' on the part of the residents of Rock Island to support the general fund." (City Br., at 19). Since personnel costs constituted 64% of general fund expenditures for the 1993 - 1994 fiscal year (City Exh. 3) and are projected to rise to 66% for 1994 - 95 (id.), and since an increase in compensation will have an impact on overall general fund expenditures, Rock Island taxpayers will have to

-- \$6,048,831; Galesburg -- \$5,012,731; Urbana -- \$4,720,594; and Normal -- \$4,487,729. No figures were given for Pekin or Belleville.

²⁴ According to one of the charts in the City's exhibit book (City Exh. 3), the expenditures per capita (from high to low) were as follows: Rock Island --- \$203; Danville, \$197; Granite City -- \$193; Alton -- \$184; Moline -- \$179; Quincy -- \$161; Galesburg -- \$150; Urbana -- \$130; and Normal -- \$112. (No figures were given for Pekin or Belleville.) Presumably, these figures are for the fiscal year ending March 31, 1993.

²⁵ The time period involved was not specified.

²⁶ The expenditures (from high to low) were as follows: Danville -- \$359; Moline -- \$355; Rock Island --\$353; Granite City -- \$346; Galesburg -- \$343; Alton -- \$338; Normal -- \$266; Quincy - -\$262; and Urbana \$253. No figures were provided for Pekin or Belleville.

expend even greater effort in the form of real estate tax payments to maintain the City's budgetary commitments if projected 1994 - 95 revenues from gambling (14%) fall short.

Still addressing the issue of effort, the City points out that the assessed valuation of real estate in Rock Island is quite low, as compared to the other municipalities. The totals (from high to low, and rounded off to the nearest million) were as follows: Moline -- \$315 million; Normal -- 302 million; Granite City -- \$219 million; Urbana -- \$218 million; Rock Island -- \$210 million; Quincy -- \$203 million; Danville -- \$192 million; Galesburg -- \$175 million; and Alton -- \$168 million.²⁷ In light of the comparatively low total assessed valuation of property in Rock Island, the property tax rate for Rock Island -- 3.782 per \$100 equalized assessed valuation -- was higher than that of any of the comparables.²⁸ The consequence of Rock Island's disadvantageous tax posture is to make successful competition with its next-door neighbor, Moline, very difficult:

[A] resident of Rock Island pays 44% more in real estate taxes than does a resident of the City of Moline [,] which adjoins Rock Island.

This is a matter of great concern since Rock Island and Moline, as next-door neighbors, are necessarily in competition with regard to housing and commercial development. It is

²⁷ The date on which these figures applied was not given. No figures were provided for Pekin or Belleville.

²⁸ The figures (from high to low) were as follows: Rock Island -- 3.782; Moline -- 2.124; Galesburg -- 2.032; Alton -- 1.871; Quincy -- 1.819; Urbana -- 1.586; Danville -- 1.522; Granite City -- 1.296; and Normal -- 0.916. No date was specified for these figures. No figures were provided for Belleville or Pekin.

very difficult to improve Rock Island's tax base while having an uncompetitive property tax rate with the adjoining City of Moline. In order to try and become more competitive, Rock Island has slightly reduced its real estate tax rate, but it is clear that more needs to be done to reduce Rock Island's tax rate. Unfortunately, the tax rate must remain high and uncompetitive with other cities at this time due to Rock Island's relatively very low EAV [equalized assessed valuation] and low sales tax revenue....

(City Br., at 24). The City further points out that Rock Island has had the greatest decline in property tax values of any of the comparable cities, most of which in fact have had increases in values.²⁹ Per capita property values also show Rock Island faring poorly in contrast to the comparable municipalities.³⁰

The sum total of all this is that great effort is, and must be, made by Rock Island residents to fund employee wages and benefits. The low sales tax receipts received by Rock Island further explain why the effort made by its residents is, and must be, so high. These receipts (for 1993) ranked Rock Island at the bottom, with revenues of \$2,458,000, when compared with the other municipalities identified by the City, whose revenues ranged from

²⁹ The changes, from positive to negative, were as follows: Normal -- +74%; Urbana -- +33%; Alton -- +28%; Granite City -- +25%; Quincy -- +15%; Galesburg -- +11%; Danville -- +5%; Moline -- -5%; Rock Island -- -19%. No date for these figures was provided. No figures were provided for Pekin or Belleville.

³⁰ The per capita values (from high to low) were as follows: Normal -- \$7,539; Moline \$7,280; Granite City -- \$6,667; Urbana -- \$5,986; Danville -- \$5,676; Galesburg -- \$5,220; Rock Island -- \$5,187; Quincy -- \$5,132; and Alton -- \$5,100. No date was provided for these figures; no figures were provided for Belleville and Pekin.

\$8,578,000 for Moline (the highest) to \$3,658,000 for Urbana (the next lowest, after Rock Island).³¹

Moving to somewhat different data, the City points to the figures regarding median household income and median family income -- still to the end of "refining the issue of comparability." (City Br., at 29). The data regarding median household income, derived from the 1990 census, show that of the 11 cities, Rock Island, with \$24,131, ranked seventh highest in 1990; Quincy was at the bottom, with \$21,325; Alton was at the median, with \$22,948; and Normal ranked highest, with \$31,376. Moline ranked second highest, with a median household income of \$27,512. The data regarding median family income, again derived from the 1990 census, showed Rock Island ranking sixth, with \$30,673; Belleville was at the bottom, with \$26,442, and Normal was at the top, with \$42,109. Moline again ranked second highest, with \$34,847.

Notwithstanding the negative economic figures regarding Rock Island, it turns out that it ranks first in terms of the number of sworn police personnel per residents: one police officer for every 501 residents.³² The City argues that these figures make untenable

³¹ The complete listing is as follows: Moline -- \$8,578,000; Quincy -- \$7,324,000; Danville -- \$6,638,000; Galesburg -- \$5,451,000; Belleville -- \$5,436,000; Alton -- \$4,927,000; Normal -- \$4,433,000; Granite City -- \$3,726,000; Urbana -- \$3,658,000; Pekin -- \$3,367,000; and Rock Island -- \$2,458,000.

³² The figures, derived from the 1990 census and from a 1993 survey by Rock Island, were as follows (from lowest ratio of sworn personnel to highest): Rock Island -- 501; Alton -- 522; Danville -- 555; Quincy -- 584; Moline -- 617; Belleville -- 648; Granite City -- 655; Galesburg -- 699; Pekin -- 717; Normal -- 741; and Urbana -- 865.

any argument that police officers in Rock Island are overworked and so deserve more compensation.

Continuing its focus on the matter of comparability, the City points out that its wage increase proposal -- 5.545% each year for sergeants, lieutenants, and captains -- is the highest of any of the comparable cities.³³ It follows, according to the City, that Rock Island's proposal is more reasonable than the City's, which, "if anything, is unreasonably high based on external comparability." (City Br., at 32).

The City also submitted data, which was admitted as a part of City Exhibit 3, comparing the wages of Rock Island lieutenants and captains to those of the same officers in the comparable cities. These data, which include longevity pay, show both for lieutenants and captains that Rock Island's pay schedule is "well within the range established by the comparable cities," (City Br., at 33), and that the City proposal prevents any slippage in the rankings. In other words, under the pay schedule as it existed without the

³³ The figures, based on a 1993-94 survey by Rock Island, are as follows:

<u>City</u>	<u>FY 1993/94 % Increase</u>	<u>FY 1994/95 % Increase</u>
Normal	3	2.5
Urbana	3	3
Moline	3.25	3.25
Galesburg	3.5	3.5
Granite City	3.5	NA
Danville	4	4
Belleville	4	4
Alton	5	NA
Quincy	5	4
Pekin	NA	NA

City's proposed increase of 5.545%, and under the pay schedule as it would exist if the City's proposals were adopted, the rankings were, and would be, as follows:

		<u>Lieutenants</u>					
		Base Wage	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs
Current contract, comparing 11 cities, including R.I.	}	11	8	8	8	8	6
City proposal, 1st year, comparing 11 cities, including Rock Island	}	11	5	5	5	5	4
City proposal, 2nd year, comparing 11 cities, including Rock Island	}	11	3	6	6	5	5
		<u>Captains</u>					
Current contract, based on comparing 8 cities, including Rock Island	}	8	5	5	4	4	3
City proposal, 1st year, comparing 8 cities, including Rock Island	}	8	2	2	2	2	1
City proposal, 2nd year, comparing 8 cities, including Rock Island	}	8	3	3	3	3	2

The City also looks to the matter of internal comparability, and points out that the patrol officers settled for a 4.5% increase in each of the two years of their contract, i.e., fiscal years 1993 - 94 and 1994 - 95. The City's offers here exceed those amounts. As for Rock Island firefighters of command officer rank, they

received increases of 4.5%, plus an additional 1% -- the same increases being proposed by the City for police command officers. Thus, the factor of internal comparability supports the City's final offer.³⁴

2. Cost of Living

The City argues that the increases it has proposed, 5.545% in the first year of the contract, far exceeds the 3.2% cost of living increase for April, 1993, the first month of the new (but as yet not final) contract (because of the issues at impasse). And the City's proposed increase for the second year of the contract -- again, 5.545% -- exceeds by even more the cost of living increase of 2.4% for the first month of that second year, i.e., April, 1994.

The City further points out that command officers also receive longevity pay increases (not by virtue of anything new that the City has offered, but by virtue of the terms of the existing contract.) The consequence of these increases, i.e., the 5.545% proposed by the Union plus longevity pay, is that command officers will receive pay increases during the two-year contract period at issue here, i.e., April 1, 1993 to March 31, 1995, "ranging from 10% to 25%". (City Br., at 36). Such percentage increases, even at the low end, are far in excess of the 2.3% cost of living increase established for April, 1994. It follows, according to the

³⁴ The City also notes the facts (while conceding them to be less relevant because the employees involved are not protective service employees) that employees in the AFSCME bargaining unit received a 4% increase for the 1993-94 fiscal year, and non-affiliated employees received only a 3% increase for that fiscal year.

City, that the even higher increases proposed by the Union are unjustifiable.

3. Other Factors

The City contends that the City ranks second in terms of the amount of paid time off afforded its employees. It allows employees 22 paid days off annually -- just one day less than the highest ranking city, Galesburg. Moline, the City points out, only provides for 18 days.

VI. DISCUSSION

A. Factors Set Forth in IPLRA That Are Not Relevant Here

The Illinois Public Labor Relations Act directs the arbitrator to look at a number of factors. Some of these are inapplicable to this particular interest arbitration. More specifically, both parties agree that there is no question as to the lawful authority of the employer, the factor set out in §14(h)(1) of IPLRA. The arbitrator is in accord. Likewise, both parties agree that there are no stipulations, the factor set out in §14(h)(2), that apply here.³⁵ Changes in circumstances, the factor set out in §14(h)(7), also has not been suggested as being applicable by either party, and the arbitrator concurs. The relevance, and application, of the other factors, are matters of dispute.

B. The Matter of Comparables

The statute instructs interest arbitrators to take into

³⁵ Actually, since both parties agree as to five comparable cities, one might infer a stipulation, in effect, regarding these five.

account the wages, hours, and conditions of employment of other employees in (A) public employment in comparable communities, and in (B) private employment in comparable communities.

Inasmuch as the parties themselves agree as to five cities, i.e., Belleville, Moline, Normal, Quincy, and Urbana, these five certainly are to be deemed to be comparables for the purposes of the arbitrator's analysis. Accepting one or more of the additional five cities suggested by the City, i.e., Alton, Danville, Galesburg, Granite City, and Pekin, is a more problematic enterprise. For one, IPLRA is silent as to how one goes about determining comparables. More than that, the process of identifying comparables is, to the extent that the arbitrator seeks direction from the parties, one that is colored by self-interest: each party in an interest arbitration understandably selects those cities that it deems favorable to its position and identifies them as comparables, while those cities that are rejected by a party as being comparable typically are those whose statistics or practices are not favorable to the party's case.

The Union insists that one must take into account demographic data in determining comparables. Having done so, the City arrives at the five cities that it has designated. In contrast, the City - - according to the Union -- erroneously only uses the factor of population and so its selections lack sufficient sensitivity to, and recognition of, demographic factors (save, presumably, for those five cities on which the City and the Union agree).

In fact, both parties put forth a number of factors, most (but

not all) of which the arbitrator has sought to capture in the following grids (in each of which the five cities on which both parties agree appear in boldface):

<u>City</u>	<u>Population</u> <u>(1990)</u>	<u>Median House-</u> <u>hold Income</u> <u>(1990)</u>	<u>Median Fam-</u> <u>ily Income</u> <u>(1990)</u>	<u>Per Capita</u> <u>Income</u> <u>(1990)</u>
Belleville	42,785	\$26,668	\$26,442	\$13,117
Moline	43,202	27,512	34,847	14,939
Normal	40,023	31,376	42,109	12,101
Quincy	39,681	21,325	28,166	11,708
Urbana	36,344	21,705	31,133	11,439
Alton	32,905	22,948	28,333	NA
Danville	33,828	22,315	30,263	NA
Galesburg	33,530	22,469	28,394	NA
Granite City	32,762	25,598	31,686	NA
Pekin	32,254	25,198	31,533	NA

As the above grid shows, none of the five cities suggested as comparables by the City fit within the population range (36,344 - 43,202) of the five joint comparables. But the five additional cities do fit within the maximum-minimum ranges established by the five joint comparables for median household income and median family income. (No conclusion can be drawn as to the per capita income criterion, due to lack of information.)

Additional data are set forth in the next grid (with the five joint comparables appearing in boldface):

<u>City</u>	<u>Median Home</u> <u>Value (1990)</u> <u>(1992)</u>	<u>No. of</u> <u>Employees</u>	<u>Equalized as-</u> <u>essed Valua-</u> <u>tion (1990)</u>	<u>Salaries</u> <u>& Wages</u> <u>(1992)</u>
Belleville	58,500	337	\$255,461,000	\$ 8,059,000
Moline	49,600	520	314,642,000	12,716,000
Normal	74,000	310	301,923,000	8,550,000
Quincy	41,800	389	203,430,000	11,537,000
Urbana	44,100	227	217,719,000	7,401,000
Alton	NA	NA	167,861,192	NA
Danville	NA	NA	192,169,865	NA

Galesburg	NA	NA	174,960,834	NA
Granite City	NA	NA	219,188,373	NA
Pekin	NA	NA	NA	NA

Since there are no data provided regarding the City's proposed additional comparables as to three of the factors set forth in the foregoing grid, there is no way of making a judgment, based on these particular factors, as to whether the five additional cities suggested by the City are like, or unlike, the five joint comparables. Insofar as equalized assessed valuation (EAV) is concerned, however, the data show that Granite City's EAV exceeds that of two of the joint comparables; that Danville's EAV is within \$11 million of Quincy's; and that the EAV's for Alton and Galesburg are \$88 million and \$71 million, respectively, below the median (which is the \$55 million EAV for Belleville), while Moline is \$55 million above the median. (Inasmuch as Alton, Galesburg, and Danville are smaller than the other cities, it would follow that in terms of per capita EAV, the differences between the joint comparables and the City's comparables would be considerably mitigated (and would perhaps even be obliterated if the arbitrator undertook the appropriate computations).)

Additional data are set forth in the next grid (with the five joint comparables appearing in boldface):

<u>City</u>	<u>Local Tax</u> <u>Revenues</u> <u>(1992)</u>	<u>Total Re-</u> <u>ceipts (1992)</u>	<u>Total Expend-</u> <u>itures (1992)</u>	<u>Public</u> <u>Safety</u> <u>Expendi-</u> <u>tures (1992)</u>
Belleville	\$ 7,681,000	\$10,999,000	\$12,094,000	\$6,310,000
Moline	10,879,000	15,444,000	15,353,000	7,716,000
Normal	5,538,000	13,225,000	10,654,000	4,488,000
Quincy	6,527,000	10,271,000	10,372,000	6,397,000

Urbana	7,355,000	10,171,000	9,222,000	4,721,000
Alton	NA	NA	11,122,000	6,049,000
Danville	NA	NA	12,165,000	6,673,000
Galesburg	NA	NA	11,480,000	5,012,000
Granite City	NA	NA	11,398,000	6,344,000
Pekin	NA	NA	NA	NA

On the basis of the data set forth in the foregoing grid, no conclusions can be drawn based on the factors of local tax revenues and total receipts, but insofar as total expenditures and expenditures on public safety are concerned, four of the cities suggested by the City as comparables (all except Pekin) fall within the ranges (\$15,353,000 - \$9,222,000 for total expenditures; \$7,716,000 - \$4,488,000 for public safety expenditures) of the five joint comparables.

Additional data are set forth in the next grid (with the five joint comparables appearing in boldface):

<u>City</u>	<u>Sales Tax Revenues (1992)</u>	<u>Property Tax Rate</u>	<u>Crime Index (1992)</u>
Belleville	\$5,436,000	NA	2,297
Moline	8,578,000	2.124	2,967
Normal	4,433,000	.916	1,656
Quincy	7,324,000	1.819	1,964
Urbana	3,658,000	1.586	2,078
Alton	4,927,000	1.871	NA
Danville	6,638,000	1.522	NA
Galesburg	5,451,000	2.032	NA
Granite City	3,726,000	1.296	NA
Pekin	3,367,000	NA	NA

The foregoing data show that insofar as sales tax revenues are concerned, all five additional cities suggested by the City fall within the range set by the five joint comparables (\$8,578,000 - \$3,658,000). Insofar as tax rates are concerned, four of the City's five additional comparables fall within the range set by the

joint comparables (2.124 - 0.916.) Because of lack of data, no conclusion can be drawn based on the crime index factor.

Not surprisingly, the foregoing analysis leads to few certain conclusions. The arbitrator confidently concludes that Pekin should be excluded as a comparable. There simply are not enough data provided by the City to warrant deeming it, in the first instance, to be sufficiently like the five joint comparables, or, in the final instance, like Rock Island. For the other four comparables suggested by the City, there are some data that have been provided by the Union regarding the five joint comparables that has not been provided by the City for the additional four still in the picture, i.e., Alton, Danville, Galesburg, and Granite City. That is not to say, however, that the City has in some way failed; some of the data provided by the Union is not dispositive, one way or the other, on the comparability issue, and so the absence of such data regarding the proposed additional cities is of minimal consequence.

1. Factors Supporting Including the City's Comparables

Insofar as geography is concerned, the four additional cities proposed by the City (other than Pekin, as to which there is, as just noted, not enough information to justify its inclusion as a comparable) are at least as close to Rock Island as is Belleville, which is 233 miles away. The distances from Rock Island for the four cities are as follows: Alton, 209 miles; Danville, 222 miles; Galesburg, 55 miles; and Granite City, 233 miles. Thus, since both the Union and the City agree on Belleville, it follows that in

terms of proximity, the City's four additional cities qualify as comparables.

Insofar as population is concerned, the five cities on which the Union and City both agree ranged in size, according to the 1990 census, from a maximum of 43,202 (Moline) to a minimum of 35,344 (Urbana). The four additional cities proposed by the City are all somewhat smaller -- Alton, 32,905; Danville, 33,828; Galesburg, 33,530; and Granite City, 32,762 -- but not markedly so.

Insofar as the factors of median household income and median family income are concerned, the four comparables proposed by the City also qualify. The same holds true with regard to the factors of (1) total expenditures, (2) expenditures on public safety, (3) sales tax revenues, and (4) property tax rates.

The Union strongly insists that Moline is the most relevant comparable community. Yet the total assessed value of property within the boundaries of Moline is \$314,642,318, which is an enormous 50% greater than the \$210,240,595 valuation of real property within Rock Island's boundaries. Certainly this disparity, standing alone, seems to cut against regarding Moline as comparable (although the City also cites Moline as a comparable community). Meanwhile, the Union rejects communities whose total property values are much closer to Rock Island's: Granite City, \$219,188,373; Danville, \$192,169,865; Galesburg, 174,960,834; and Alton, \$167,861,192. (Urbana is deemed by the Union to be a comparable (at least on the basis of the criterion of property values), yet its total property value, \$217,719,301, is \$7.5

million more than Rock Island's, while Granite City is not deemed to be a comparable community even though its total property value is almost the same as Urbana's.) Thus, the factor of equalized assessed valuation does not preclude inclusion of the four City comparables (even if, at the same time, the fact that three of the four cities have assessed valuations considerably lower than those of the five joint comparables does not provide very persuasive support for the inclusion of the four.)

2. Problematic Criteria Regarding the City's Four Comparables

The criteria which -- because of a lack of information, rather than because there is information working against comparability -- do not support (but do not preclude) adding the City's comparables are (1) median home value, (2) per capita income, (3) number of employees, (4) total salaries and wages, (5) local tax revenues, (6) total receipts, and (7) crime indices. The lack of information regarding the first two factors is insignificant, however, given that there are other data regarding income and values -- i.e., the data as to median household income, median family income, and equalized assessed valuations.

The facts that there are no data for the City's four proposed comparables as to their (1) crime indices, (2) the numbers of employees, and (3) the total salaries and wages of these employees would have some particular bite if there were an issue here regarding the hiring of additional police personnel. In other words, these data would have particular bearing if the arbitrator were called upon to determine comparables for the purpose of

assessing whether Rock Island's police force was of an appropriate size. But the issues here are not related to the adequacy or inadequacy of the number of personnel, and so the fact that the foregoing data were not provided by the City for the proposed four comparables need not, in the arbitrator's view, diminish these cities' suitability and relevance as comparables.

That there is a lack of data regarding local tax revenues and total revenues is of more relevant concern.

3. Conclusion

There clearly is no obvious answer as to whether the additional four cities proposed by the City as comparables should be deemed to qualify as such. This arbitrator's reading of §14(h)(4)'s mandate is that comparables are a very relevant factor to take account of, and so an arbitrator should be very careful, but also generous (albeit not unreasonable), in including comparable jurisdictions, rather than being chary in doing so. Given this reading of the statute, and given the closeness of the four proposed cities on a number of relevant criteria, the arbitrator concludes that there are nine cities -- five on which both the Union and the City agree and an additional four offered by the City -- that are the appropriate comparables to take into account pursuant to §14(h)(4) of IPLRA. These are Belleville, Quincy, Urbana, Danville, Galesburg, Alton, Granite City, Moline, and Normal.³⁶

³⁶ As will be seen later, in the context of discussing longevity, the inclusion of the City's additional comparables

(No evidence was offered as to the salaries of employees in private employment in other communities. Accordingly, there is nothing for the arbitrator to address in this regard. And insofar as public employees in other communities are concerned, there was no evidence regarding public employees other than police. As to the latter, there of course was evidence offered as to salaries, wages, and, to some extent, the conditions of employment.)

C. The Overtime Issue

The Union seeks the institution of a system of overtime pay for sergeants, who presently do not receive such pay except as it is required under the Fair Labor Standards Act. The City's proposal calls for maintenance of the status quo. Since it is the Union that is seeking a change, it has the heavier burden of justification here.³⁷

The Union primarily relies on comparability as the justification for adoption of its proposal. City fire department lieutenants earn overtime pay. Much more importantly, City patrol officers earn overtime compensation. And so do the sergeants in eight of the nine comparable cities, Galesburg being the sole exception, according to the Union.³⁸ Allied with this argument

actually works to the detriment of the City's position (although not fatally so).

³⁷ The arbitrator has no desire, or need, to plumb the complexities of the issue of assigning burdens; to identify those burdens as burdens of proof or production; or to identify what quantum of proof are required. Suffice it to say that because the Union is the party seeking a change, it carries the laboring oar.

³⁸ There were no actual data introduced confirming this

based on comparables is the additional contention that because sergeants do many of the same things that patrol officers do, and because patrol officers receive overtime pay, it follows that sergeants should, as well. The City counters with a number of arguments, which will be addressed in the context of addressing the various 14(h) factors.

**1. The Interests and Welfare of the Public Welfare
and the Financial Ability of Rock Island**

The public welfare is always served when its employees are satisfied with their financial situations. Indeed, it is safe to say that satisfied employees are more likely to perform well than are disgruntled employees. The sergeants would like overtime compensation, and this desire is not to be dismissed as being so obvious as to merit no attention. Police officers perform critically important functions. Unfortunate as the situation is, the reality is that it is likely that virtually no community in America could survive without law enforcement personnel. Moreover, it is safe to say that if we lived in a world with resources enough to pay everyone their true worth (determined on the basis of what society really needs), police officers as a group would be better off, financially. Having said this much, the equally valid contrary observation is that we do not live in a perfect world; rather, we live in a world of inadequate resources and competing, valid demands for those resources. Accordingly, the arbitrator

proposition, but it was asserted by the Union and it was not disputed by anything the City had to offer. Thus, the arbitrator takes the assertion as true.

concludes that the public interests factor set forth in §14(h)(3) of IPLRA is a wash insofar as determining which proposal, the Union's or the City's, should be adopted.

Insofar as ability to pay is concerned, the City does not claim that it is unable to pay overtime compensation. But it is the arbitrator's view that it does not follow that because the City can pay, it should pay. The questions are whether the current scheme, which provides for no overtime compensation, is reasonable, and whether the Union's proposal for change is more reasonable. The resolution of these questions requires looking at the other factors identified by §14(h).

2. The Comparability Factor

As is well known, comparability is probably the single most significant factor upon which interest arbitrators hang their decisionmaking hats. One reason for doing so is that comparisons afford persuasive insight into what the market judges to be the going rate, so to speak, for a given job. Save for Rock Island and Galesburg, the data tell us that overtime pay is what the market is willing to bear and apparently expects to bear as the price of purchasing the efforts of people employed as police department sergeants. These data are very persuasive, given the mandate of §14(h)(4) of IPLRA, as well as the traditional (and appropriate) reliance of interest arbitrators on comparability in seeking to resolve impasses. And the evidence regarding external comparables is persuasively buttressed by the data regarding internal comparability: both City patrol officers and City fire department

lieutenants (who equate with police sergeants) earn overtime pay.

3. The Cost of Living Factor

Section 14(h)(5) of IPLRA instructs interest arbitrators to take into account the cost of living in reaching their decisions. Here, the command officers have received pay increases in excess of the cost of living, and so it would seem that the cost of living factor cuts against the Union proposal. So the City argues.

The arbitrator agrees with the City to the extent of concluding that the Union's proposal is not helped by the cost of living factor. At the same time, because overtime serves not just to provide base compensation for work performed, but to reward employees for engaging in work and over above the base norm, the Union's adoption of the Union's proposal is not precluded by the fact that the agreed-upon salary increases themselves exceed the increase in the cost of living.

In sum, the arbitrator concludes that if the case for overtime pay rested solely on a cost of living argument, it would fail. At the same time, the arbitrator concludes that if the case for overtime pay can be persuasively made on other terms, i.e., comparability, the cost of living argument made by the City does not trump that affirmative case.

4. Overall Compensation

Section 14(h)(6) of IPLRA focuses on overall compensation. There was little offered other than data on the issues of longevity, overtime, and wages and salaries -- the issues at impasse here. The City, pointing out that Rock Island ranks second

in terms of paid days off, did at least offer the following data:

City	Vacation	Holiday	Personal	Total
Granite City	10	0	0	10
Urbana	10	8	0	18
Moline	6	11	1	18
Danville	10	10	0	20
Alton	10	10	0	20
Belleville	10	9	2	21
Normal	10	8	3	21
Quincy	10	10	1	21
Rock Island	10	8	4	22
Galesburg	20	0	3	23

While the difference between the 22 days paid by Rock Island and the 21 paid by Belleville, Normal, and Quincy obviously is small, the data do show that Rock Island is more generous, so to speak, than all but one of the comparables. But barely so. After all, while the City ranks second highest in terms of paid time off, it exceeds the second lowest cities -- Urbana and Moline -- by only 4 days. And there are three cities bunched up just behind Rock Island with totals of 21 paid days each.

The City also argues that the wage increases in the new contract are higher than those for any of the comparable cities, and that these increases in part reflect the City's recognition that command officers do not receive overtime pay. That may be so, but the fact is that the increase for sergeants -- which is not in dispute here -- still leaves them short of sergeants employed by some of the comparables, where sergeants, in addition to their base pay, do earn overtime. More specifically, data introduced by the City show the following rankings for Rock Island sergeants, as compared to sergeants in the comparable cities, in the first and

second years of the new contract (excluding Pekin, which the arbitrator has rejected as a comparable; excluding the enhanced longevity pay sought by the Union, which enhancement the arbitrator rejects below; and not including the overtime paid in the comparables):

	Base	year 5	year 10	year 15	year 20	year 25
New Contract (1st year)	9	2	4	4	4	4
New Contract (2nd year)	8	3	4	5	5	4

In sum, the factor of overall compensation (taking into account the pay raises for 1993 - 94 and 1994 - 95) does not undercut the persuasiveness of the case for overtime that flows from application of the comparability factor.

5. Other Factors

Section 14(h)(6) directs the arbitrator to take into account "other factors ... [that] normally or traditionally [are] taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, ... arbitration or otherwise...." One such factor is history. And the history of the treatment of overtime in Rock Island shows that overtime compensation has long been unavailable to sergeants. Indeed, the City introduced the Rock Island personnel rules applicable in 1979; these expressly rejected the eligibility of sergeants for such compensation. That history counsels in favor of rejection of the Union's proposal.

If history is to be changed, it ideally ought to be done at

the bargaining table. The problem, of course, is that the effort to make that change at the bargaining table failed here. And if history is to be given a lock on employer-employee relations, it will follow that nothing will ever change -- at the bargaining table or in any other setting. At some point, history must give way to new realities and changed circumstances. Thus, while the arbitrator is sensitive to the history factor, he does not feel himself bound by the past to the extent of its foreclosing any change in the present or the future. (Indeed, interest arbitration would become pretty much pointless were the contrary the case, for the final offer that maintains the status quo always would have to be adopted if history were given dispositive control, inasmuch as past practices, i.e., the status quo, are what history is made up of.)

Productivity is often a factor taken into account by arbitrators. The record here establishes that sergeants -- at least those who were called to testify by the Union -- put in a considerable number of extra hours for which they were not compensated. Presumably, one might reason that this proves that there is no need to pay overtime, since sergeants obviously work extra hours even without the incentive of extra pay. That argument does not go very far.

For one, there are merit pay increases, as one of the witnesses testified, and the sergeants' extra work is spurred at least in part by the chance to secure such salary enhancements, rather than just by pure altruism. In addition, it does not follow

that just because an employer may be able to extract from an employee more work than it actually compensates for, the employer should be encouraged or even allowed to do so. The public interest -- one of the §14(h) factors -- is served not only by hard working employees, but also by employees who will continue to work industriously because they are rewarded for doing so. (Of course, the arbitrator recognizes that merit increases do provide that reward, to some extent.)

The City also argues that there are good and valid reasons for rejecting the Union's proposal. For one, the City maintains, the adoption of overtime for sergeants would be very disruptive because other City employees will then seek the same compensation. That probably is an accurate prediction. And it is an argument that is often made.

The City raises a valid issue. It legitimately is, and should be, concerned about how the resolution of this dispute will affect its labor relations generally. But ultimately, the City's argument about the consequences vis-a-vis its dealing with other employees fails. For one, it proves too much. If the rejection of wage increases or other changes in conditions for employees could be convincingly justified in the name of staving off other employee's demands, it would follow that no changes would ever be made. That is because the reality is, of course, that all employees -- public and private -- look to how their colleagues and counterparts are treated in gauging what they think they themselves deserve, and what they think they themselves can get. So there are always going

to be other employment relationships that are going to be affected by what is done to, or for, any given group of employees (unless all of the employer's employees are dealt with en masse at the same time). It follows that the demands of employees, if legitimate, should not be denied solely on the basis of an in terrorem argument about the negative consequences that will ensue for the employer in its dealings with its other employees. (Of course, the City is not in fact relying solely on such an argument). In any event, the fact is that City patrol officers, as well as fire department lieutenants, already earn overtime pay, so to the extent that the receipt of such compensation by one component of the Rock Island work force may produce untoward (from the City's perspective) fallout, that likelihood already exists. (Indeed, the Union proposal here presumably is object lesson of this snowball effect, but it is not the overtime for sergeants that started the snowball rolling down the hill. Rather, that snowball's movement was started with the overtime for patrol officers and fire department lieutenants which the City already pays, and that it presumably agreed to in the course of negotiating contracts or that it was forced to swallow as the result of other interest arbitration awards.)

The most troubling issue for the arbitrator is the fact that adoption of the Union's proposal would constitute a breakthrough. Some arbitrators are quite emphatic in maintaining that the purpose of interest arbitration is to maintain the status quo to the extent possible, and so breakthroughs -- i.e., significant changes -- should only occur at the bargaining table. To put it another way,

interest arbitration ought not to be a mechanism for one of the parties obtaining something that it never would have secured through collective bargaining itself. This arbitrator, while perhaps not so adamantly wedded to the notion of maintaining the status quo, is in agreement that interest arbitration ought not to be used as an end-run around good faith bargaining, which bargaining inevitably is going to wind up with compromises such that neither party ever achieves all that it wants.

On the other hand, even entertaining a philosophy that interest arbitration ought to operate in a narrow scope (which it does, in any event, given that the arbitrator is limited, insofar as economic issues are concerned, to adopting one or the other of the parties' final offers), the fact is that interest arbitration does exist. The legislature has seen fit to authorize it as an integral mechanism for dealing with impasses. One cannot take the view, then, that interest arbitration should not be used to resolve impasses, for IPLRA says that it should. Moreover, if interest arbitration is to have its own independent integrity, the arbitrator must be able to operate from a position of flexibility (even though, of course, he or she is constrained by the parties' final offers.) He or she cannot start (and finish), it seems to this arbitrator, with the proposition that the proposal calling for the least change from the status quo is the proposal that invariably must be adopted. For if he or she did inflexibly pursue such a philosophy, interest arbitration as a useful device would be gutted: the resistant party could always confidently low-ball its

offer, knowing that it would be adopted by the arbitrator in the name of his or her 'least change' philosophy.

To put this abstract discussion into concrete terms: the arbitrator well recognizes that the adoption of the Union's proposal does constitute a significant change. But for this arbitrator, that is not enough to justify rejecting that proposal, if the proposal is better justified in terms of the statutory criteria than is the City's proposal.

5. Conclusion

The case for the Union's proposal is compelling, in light of the treatment of the overtime issue both internally (i.e., the availability of such compensation to Rock Island police patrol officers and fire department lieutenants) and externally (i.e., the availability of such compensation in all but one of the comparables). The counter arguments made by the City fall short of overcoming the persuasiveness of the comparables. Accordingly, the arbitrator -- constrained by the terms of the final offers made by the parties, and required to follow the terms of IPLRA -- adopts the Union's proposal and rejects that of the City.

D. The Longevity Issue

Because the Union seeks to modify the status quo, changing longevity increases from a periodic increment of \$600 to a periodic increment of \$700, it bears the heavier burden of justification.³⁹

1. The Interests and Welfare of the Public and the Financial Ability of Rock Island

³⁹ See note 37.

The public welfare is always served when its employees are satisfied with their financial situations. Indeed, it is safe to say that satisfied employees are more likely to perform well than are disgruntled employees. The command officers would like more money, and this desire is not to be dismissed as being so obvious as to merit no attention. Police officers perform critically important functions. Unfortunate as the situation is, the reality is that it is likely that virtually no community in America could survive without law enforcement personnel. Moreover, it is safe to say that if we lived in a world with resources enough to pay everyone their true worth (determined on the basis of what society really needs), police officers as a group would be better off, financially. Having said this much, the rebuttal is that we do not live in a perfect world; rather, we live in a world of inadequate resources and competing, valid demands for those resources. Accordingly, the arbitrator concludes that the public interests factor set forth in §14(h)(3) of IPLRA is a wash insofar as determining which proposal, the Union's or the City's, should be adopted.

Insofar as ability to pay is concerned, the City does not claim that it is unable to pay the increased longevity increments.

But it is the arbitrator's view that it does not follow that because the City can pay, it should pay. The questions are whether what it is paying by way of increments is reasonable, and whether the Union's proposal for change is more reasonable. The arbitrator concludes that the current longevity scheme is reasonable. Whether

the Union's proposal is more reasonable turns on a review of the other factors identified by §14(h).

2. The Comparability Factor

The Union points to the fact that firefighters in Rock Island receive longevity increases in the amounts now being sought for police command officers, i.e., \$700 increments. Thus, the Union contends, internal comparability supports its position. Second, the longevity compensation schemes of the five comparables to which the Union points further support its position, it claims. The City counters that internal comparability works in its favor because Rock Island police patrol officers receive the same increments as do command officers, and the patrol officers are the most relevant internal group to look to. (Interestingly, this emphasis on the patrol officers as being the most important comparable group to look to supports the arbitrator's previous conclusion that sergeants should receive overtime compensation.) Moreover, insofar as external comparability is concerned, the nine comparable cities do not demonstrate a pattern of consistently more generous longevity increases sufficient to support an increase for the Rock Island command officers.

The City is correct insofar as internal comparability is concerned: the police patrol officers are considerably more relevant to look to than are the firefighters. Insofar as external comparables are concerned, the Union's version of longevity plans is set out in boldface; the City's version is underlined:

City	Year	Year	Year	Year	Year
-------------	-------------	-------------	-------------	-------------	-------------

	5	10	15	20	25
ALTON	NA	NA	NA	NA	NA
	<u>4%</u>	<u>7%</u>	<u>9.5%</u>	<u>12%</u>	<u>14%</u>
BELLEVILLE					
	<u>Sgts.</u>	Step based longevity plan			
	<u>Lts.</u>	Flat salary			
	<u>Cptns.</u>	Flat salary			
		Longevity is incorporated into the wage scales			
DANVILLE	2%	5%	10%	11%	11%
	<u>2%</u>	<u>5%</u>	<u>10%</u>	<u>11%</u>	<u>11%</u>
GALESBURG	NA	NA	NA	NA	NA
	<u>2%</u>	<u>4%</u>	<u>6%</u>	<u>8%</u>	<u>10%</u>
GRANITE C.	NA	NA	NA	NA	NA
	<u>5%</u>	<u>7%</u>	<u>8%</u>	<u>10%</u>	<u>10%</u>
MOLINE					
	Sgts.	9 step plan for 1st 9 years; then additional 2 1/4% of 9th step at 9 yrs; then additional 2 1/4% at 14th yr			
	Lts.	Same as sergeants			
	Cptns.	Flat salary			
		<u>0%</u>	<u>2.25%</u>	<u>4.5%</u>	<u>4.5%</u>
NORMAL					
	Sgts.	1% of base up to 20 years (20%)			
	Lts.	COLA and merit-based plan			
	Cptns.	COLA and merit-based plan			
		<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
QUINCY					
	Sgts.	Flat salary			
	Lts.	Flat salary			
	Cptns.	Flat salary			
		<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
URBANA					
	Sgts.	0 for first 6 yrs for hires after 4/16/91; 2% at end of 2nd yr for pre-4/16/91 hires; 4% at end of 4th yr for pre-4/16/91 hires; 6% of base at 6 yrs for both pre- and post-4/16/91 hires; 8% of base at 8 yrs for all hires; 10% of base at 10 yrs for all hires; 14% of base at 15 yrs for all hires			
	Lts.	Flat salary			
	Cptns.	Flat salary			
		<u>0%</u>	<u>10%</u>	<u>14%</u>	<u>14%</u>

ROCK I.	\$600	\$1,200	\$1,800	\$2,400	\$3,000
	<u>\$600</u>	<u>\$1,200</u>	<u>\$1,800</u>	<u>\$2,400</u>	<u>\$3,000</u>
	<u>2.1%</u>	<u>4.02%</u>	<u>6.03%</u>	<u>8.05%</u>	<u>10.1%</u>

There is agreement between the Union and the City, or at least no registered disagreement, as to Alton;⁴⁰ Belleville (although the absence of specific figures makes it impossible to extract any guidance); Danville; Galesburg;⁴¹ Granite City;⁴² Moline (except that the Union reports that captains do not receive longevity pay, while the City does not indicate their status one way or the other); Normal;⁴³ Quincy; and Urbana. The Union and the City are in agreement as to the dollar increments received by command officers in Rock Island. The City translated these into percentages; the Union did not, but since the Union did not object to the admission of the City's exhibit book, which contained these percentages, nor did it dispute them, the arbitrator will read them as correct computations.

⁴⁰ The Union did not submit data as to Alton, Galesburg, or Granite City, but it did not object to the admission of the City's exhibit book, which book contained the data regarding these cities. Nor did the Union submit any contradictory data after the admission of the City's exhibit book. Accordingly, the arbitrator will read the City's data as being correct statements.

⁴¹ See note 40.

⁴² See note 40.

⁴³ The City did not submit data as to Normal; rather, it said the information was not available. But the City did not object to the admission of the Union's exhibit book, which book contained the data regarding Normal set forth in the grid. Nor did the City submit any contradictory data after the admission of the Union's exhibit book. Accordingly, the arbitrator will read the Union's data as being correct.

The conclusion to be drawn from all this is that, in terms of rankings, the cities are ranked as follows (to the extent the information can be gleaned from the record)

SERGEANTS

City	Year 5	Year 10	Year 15	Year 20	Year 25
Rock I.	4	6	6	6	5
Alton	3	3	4	3	2
Danville	5	5	3	4	4
Galesburg	5	7	7	7	6
Granite C.	1	3	5	5	6
Normal	1	1	1	1	1
Urbana	5	1	2	2	2
Moline	--	8	8	8	8
Quincy	9	9	9	9	9

LIEUTENANTS

Rock I.	3	4	5	4	3
Alton	2	1	2	1	1
Belleville	5	7	7	7	7
Danville	4	3	1	2	2
Galesburg	4	5	4	5	4
Granite C.	1	1	3	3	4
Moline	5	6	6	6	6
Normal	5	7	7	7	7
Quincy	5	7	7	7	7
Urbana	5	7	7	7	7

CAPTAINS

Rock I.	3	4	4	4	3
Alton	2	1	2	1	1
Belleville	6	6	6	6	6
Danville	4	3	1	2	2
Galesburg	4	5	5	5	4
Granite C.	1	1	3	3	4
Moline	6	6	6	6	6
Normal	6	6	6	6	6
Quincy	6	6	6	6	6
Urbana	6	6	6	6	6

The foregoing grids reveal that the factor of external comparables does not support the Union, but it does support the

City. Rock Island's current longevity pay plan, as applied to sergeants, keeps these officers in the middle of the pack (although, undeniably, there are other cities that are more generous.) With regard to lieutenants and captains the Rock Island plan is even more favorable to the Union's position, particularly when one realizes that a number of comparable cities do not provide any longevity pay to these more senior command officers. (Thus, for example, while Moline, Normal, Quincy, and Urbana rank 6th out of 10 on the grid for captains, that ranking is deceptively favorable to them: in fact, they provide no longevity pay.)⁴⁴

On the basis of external comparability, the Union has failed to make a persuasive case for increasing longevity increments.

3. Other Factors

Section 14(h)(5) of IPLRA directs attention to the consumer price index. In light of the fact that the wage increases on which both the Union and the City have agreed exceed, independent of the longevity pay issue, the increase in the cost of living, this factor does not in any way support the Union's position that there should be a further effective increase in compensation. Conversely, it does support the City's position that the status quo should be maintained.

⁴⁴ Interestingly, Rock Island would look even better by comparison if only the comparables proposed by the Union -- which is urging the increase in longevity pay -- were considered. This is because generally it is the City's comparables, i.e., Alton, Danville, Galesburg, and Granite City, that rank above Rock Island. If they were out of the picture, Rock Island would look even better in comparative terms.

Insofar as §14(h)(6)'s direction to take into account the factor of overall compensation is concerned, there was little offered other than data on the issues of longevity, overtime, and wages and salaries -- the issues at impasse here. The City, pointing out that Rock Island ranks second in terms of paid days off, did offer the following information:

City	Vacation	Holiday	Personal	Total
Granite City	10	0	0	10
Urbana	10	8	0	18
Moline	6	11	1	18
Danville	10	10	0	20
Alton	10	10	0	20
Belleville	10	9	2	21
Normal	10	8	3	21
Quincy	10	10	1	21
Rock Island	10	8	4	22
Galesburg	20	0	3	23

While the difference between the 22 days paid by Rock Island and the 21 paid by Belleville, Normal, and Quincy obviously is small, the data do show that Rock Island is more generous, so to speak, than all but one of the comparables. These limited data are not sufficient, however, to alter the arbitrator's view that, on the basis of the factor of overall compensation, the arbitrator simply does not have enough information to conclude that the Union proposal for increased longevity pay should be adopted.⁴⁵

Finally, there is, to quote §14(h)(8), the matter of "other factors which are normally or traditionally taken into

⁴⁵ To the extent that it is maintained that an increase in longevity is needed to offset inadequate salaries, the discussion of whether the proposed new salaries indeed are adequate is discussed below.

consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, ... arbitration or otherwise...." Sometimes, the issue of productivity is considered. Here, neither party has suggested that productivity is a relevant factor, nor does the arbitrator see it as such. In other words, as a general matter longevity pay is not justified as a reward for enhanced productivity. And there is nothing to suggest that an increase in longevity compensation is necessary here to spur productivity by the command officers.

Sometimes, the history of past practices is taken into account. Here, little was offered, although there was passing argument made by the City that no effort to change longevity had been made in the 1990 negotiations and nothing had changed since then to justify an increase in the new contract. History, if accorded too much deference, will lock the parties in the dead weight of the past without any opportunity to make changes. But here that is not a risk. Rather, the fact is that history just is not a relevant linchpin for the arbitrator's decision, one way or the other.

Finally, the City argues that an increase would constitute a breakthrough, and that breakthroughs are generally disfavored. One need not address this argument, since the arbitrator's conclusion is to reject the Union's proposal.

4. Conclusion

For the foregoing reasons, the arbitrator rejects the Union's proposal regarding longevity and adopts the City's proposal.

E. The Wage Increase -- or Rank Differential -- Issue

The Union and the City are at an impasse regarding two levels of command officers. Both with regard to lieutenants and captains, the Union's final offer for 1993 - 94 is 6.0675%, made up of a 4.5% increase in base pay, plus a 1.5% increase attributable to expanding the rank differentials between sergeants and lieutenants, and between lieutenants and captains. The City's final offer is an increase of 5.545%, made up of a 4.5% increase in base pay plus a 1% rank differential. For 1994 - 95 the Union's final offer for both lieutenants and captains is a 4.5% increase, plus a 2% rank differential. The City's final offer is the same as for the prior year -- 5.545 (4.5% plus a 1% rank differential).

1. The Interests and Welfare of the Public and the Financial Ability of Rock Island

The Union in part seeks to justify enhanced rank differentials as being necessary to provide incentives to patrol officers, sergeants, and lieutenants to seek promotions.⁴⁶ Thereby, so the Union argues, the public interest will be served, because the police department will be in the hands of more experienced, better supervisors than otherwise would be the case, and the consequence

⁴⁶ The Union perhaps enhances its argument -- from its perspective -- by calling the moneys in question "rank differentials." This designation enables the Union to make a somewhat different argument than it would make were it simply contending, pure and simple, that it wants more money on behalf of its members. The arbitrator is willing to accept the Union's labeling of the moneys in issue. As it turns out, that labeling, and the justifications offered by the Union in the name of urging the adoption of larger rank differentials than the City embraces, do not make the Union's proposals more persuasive.

will be that there will be better policing, which -- among other things -- will reduce the incidence of misconduct, which reduction in turn will reduce those occasions on which the City may be exposed to liability for police wrongdoing. In addition, the Union argues, the public will be better off if rank differentials are increased because there will be less incentive for senior officers to retire (which they may do at relatively young ages under the Illinois statutory scheme.) The retention of more such officers again will result in better supervision, which in turn again will lead to better policing. The Union further argues that the City has conceded that it has the ability to pay, and that it in fact has the resources to pay the increase sought.

The arbitrator does not find the Union's arguments to be very compelling. The fact of the matter is that while one might conjecture about the negative consequences of small rank differentials in terms of their creating disincentives for individuals to seek promotions or to delay retirement, there simply is no testimony whatsoever to support the Union's hypothesizing.⁴⁷

No command officer -- current or former -- testified that he or she had been dissuaded from seeking promotion, or from retiring, by virtue of the present compensation scheme. Nor did any expert witness on police psychology, recruiting, or related matters testify as to small rank differentials causing difficulties in Rock

⁴⁷ The arbitrator concedes that much that is involved in interest arbitration decisionmaking by arbitrators also is based on conjecture unsupported by empirical data.

Island, or elsewhere, regarding the retention of able officers or the obtaining of willing and qualified candidates for promotions.

Thus, for the arbitrator to accept the justifications proffered by the Union, he would have to join in the Union's unsupported speculations. He is unwilling to do so. The arbitrator's reluctance does not stem, he hastens to add, from his perception that the Union's arguments are intrinsically without merit. They stem from his not having any data on which to assess whether they do have merit. Parties in the bargaining process may be guided by hard facts, hunches, suspicions or whatever; they can thrash out their differences through negotiation without offering (unless they so choose) some sort of empirical data to support their negotiating positions. Arbitrators step in when the parties have failed to achieve resolution through negotiation. At that point, it seems to this arbitrator, an arbitrator should not substitute his or her hunches and unverified surmises for those of the parties (or at the most he or she should do so only if there absolutely is no alternative basis for decisionmaking.) Here, if minimal rank differentials really had affected, or were affecting, present or past personnel, the Union could have adduced testimony in support of its rationales. It did not do so. This does not necessarily preclude adoption of the Union's proposal, of course. There are other factors to take into account under IPLRA which may lend support to the Union. Still, insofar as the Union has the task of seeking a change from the 5.545% annual increase agreed upon by the parties, its effort to justify the enhanced rank

differentials in terms of the public interest falls short.

Of course, the Union offers the additional argument that the City has the ability to pay, and therefore it should pay. But the ability to pay does not automatically lead to the conclusion that the City must pay. If it did, it would follow (unacceptably so) that any City unable to establish inability to pay would lose in interest arbitration. Ability to pay does matter. But it is not dispositive.

On this score, the City -- in the name of 'refining' the issue of comparables -- engages in extended argument as to numerous negatives regarding Rock Island's fiscal position, including the City's meager sales tax revenues; its low (particularly as compared to its neighbor, Moline) property valuations; and its very high property tax rate. The thrust of this exercise is to establish that Rock Island residents already are engaged in very strenuous and costly efforts to support their public safety departments and the increase in rank differentials sought by the Union would be another straw on a struggling camel's back, so to speak. The arbitrator finds some persuasiveness in the City's position. But not much.

It is true that Rock Island could be doing a lot better economically. But it is very far from being destitute. Moreover, the fact is that public services cost money. And if a community wants first class services, it has to pay for them. If it does not, ultimately that community is going to have some very unhappy personnel who either may not perform up to par, or will seek other

jobs and leave when they can find them.

In sum, were the question of Rock Island's already commendable effort to support public services all that was at issue here, the arbitrator would rule for the Union. But, of course, the financial situation of Rock Island is only a piece of the puzzle constructed by IPLRA. Another piece is the matter of public interest, and on that score it is the Union, as just discussed, that falls short.

2. Rank Differentials in the Comparable Municipalities

It is clear that Rock Island lieutenants and captains, when compared to their counterparts in the comparable cities, did not rank at the top of the compensation list under the contract that covered the period up to March 31, 1993. It also is clear that under both the Union's and the City's proposals Rock Island command officers will move up in the rankings. How much is not entirely clear, however, because the figures submitted by the Union and the City are not entirely consistent. For example, the Union submission reports the minimum wage for Normal lieutenants to be \$45,600; the City's submission identifies the minimum base wage as being \$33,379 -- a more than \$12,000 difference! In the arbitrator's experience, such differences between the data offered by the Union and that offered by the City are not unusual. Their commonality, however, does not make the situation any easier to address.

According to the Union's data, there is no rank differential between lieutenants and captains in Moline, and in Normal the rank differential between sergeants and patrol officers is -5.06%.

Moreover, the percentage differences in rank differentials produced by the City proposal, as compared to the Union proposal, are not particularly striking: 6.98% under the Union's proposal in 1993 versus 6.49% under the City's; and 7.51% under the Union's proposal for 1994 versus 6.51% under the City's.

The City submitted a chart showing the following ranks (taking into account the ten comparable cities identified by the City, but excluding therefrom Pekin, which the arbitrator has rejected as a comparable) for Rock Island captains in the first year of the new contract and in the second year. The chart reveals that the Rock Island command officers fare well under both the Union and the City proposals, although they do a little better under the Union version:⁴⁸

Lieutenants

	Base	year 5	year 10	year 15	year 20	year 25
Union Proposal (1st year)	10	3	4	4	4	3
City Proposal	10	4	4	4	4	4

⁴⁸ In its charts, the City included the Union proposal as well as the City's. The result is that the rankings -- which are supposed to compare Rock Island to other cities -- are, in the arbitrator's view, somewhat in error. For example, with regard to lieutenants' base wages in the first year of the proposed contract, the Union proposal is ranked as 11th on the list of cities and the City's proposal is ranked 12th. But the only reason why the City's is ranked as 12th is because the City's Union's proposal, which is for more money than the City's, is included in the computation. In fact, however, if the City's proposal were to be adopted, the Union's would drop out of the picture. The same would transpire were the Union's proposal to be adopted: the City's proposal would become irrelevant. Thus, in the arbitrator's view, it is erroneous to rank these proposals against each other, and the arbitrator's rankings in the grids in the text do not do so.

(1st year)

Union Proposal	10	2	5	5	4	4
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(2nd year)

City Proposal	11	2	5	5	4	4
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(2nd year)

The same grid can be made for captains, but here there is, on the City's chart, no information for three cities -- Danville, Normal, and Urbana -- and with Pekin also excluded, the grid consequently only includes seven cities.

Captains

Union Proposal	7	1	1	1	1	1
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(1st year)

City Proposal	7	1	1	1	1	1
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(1st year)

Union Proposal	7	1	1	1	1	2
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(2nd year)

City Proposal	7	2	2	2	2	2
---------------	---	---	---	---	---	---

(2nd Year)

On the basis of comparables, the case for the Union's proposal is slightly stronger (if one assumes that the purpose of an interest arbitration is to bring the employees up to Number 1 ranking.) But because the City proposal does almost as well by the command officers (albeit not as well as the Union proposal), the Union's claim for adoption of its proposal -- to the extent that it is based on the comparability argument -- is not a very persuasive one.⁴⁹

⁴⁹ The Union, in its exhibits, stressed the shortfall between the salaries paid to Rock Island command officers and the averages of the salaries for the officers in the five comparable cities that the Union identified. The arbitrator notes that those comparisons are perhaps somewhat misleading, since in each of the comparison

The City also makes an argument based on comparables. It contends that the wage increase it has offered, 5.545%, is higher than that offered by any other comparable city, and so §14(h)(4)'s focus on the comparability factor works in its favor. The arbitrator is inclined to agree. True, the City could have offered more. But that is always the case. The more relevant issue is whether the City's offer is less reasonable than the Union's. In terms of comparative analysis, it is not.

3. The Cost of Living Factor

The Union, which of course is the party dissatisfied with the City's offer because that offer does not match (or exceed) the Union's, does not try to argue that the cost of living factor set forth in §14(h)(5) supports its position. In fact, the Union's view is that "factor 5 is inapplicable as a determining factor in this case because the base wage increase of 4.5% has been agreed upon." (Union Br., at 4). In contrast, the City maintains that the cost of living factor works in its favor, since the pay increase that it has offered is very significantly in excess of the cost of living increase for Rock Island. The City is correct.

It is generally agreed that the date of the last arbitration award or of the parties' last wage negotiations is to be used as

tables there is one city -- Normal, in the case of sergeants; Urbana, in the case of lieutenants; and Normal, again, in the case of captains -- whose salaries are considerably higher than the salaries in the other cities, the result being to skew the averages. Remove the one aberrational salaries, and Rock Island's salaries look far more compatible with the salaries in the remaining comparable cities.

the base date. Elkouri, F. & Elkouri, E., How Arbitration Works 821 (4th ed. 1985); Los Angeles Transit Lines, 11 LA 118, 130 (1948). While the record does not disclose the date of the parties' negotiations, the arbitrator assumes that they took place in early 1993. (The City asserted that the cost of living increase was 3.2% in April, 1993, the first month of the first year of the proposed contract, and that it was 2.4% in April, 1994, the first month of the second year of the proposed contract.) The arbitrator takes notice of the fact, as reported at 148 LRR 257 (March 6, 1995), in an article entitled "Commission is Proposed to Assess CPI's Bias," that the CPI-U in both 1993 and 1994 advanced only 2.7% -- the lowest inflation rate in nearly three decades. The City's offer, while short of the Union's, nonetheless consists of percentage increases considerably greater than the rise in the cost of living. Thus, the cost of living criterion does not support the Union's proposal for compensation increases greater than those proposed by the City.

4. Other Factors

Section 14(h)(6) of IPLRA directs the arbitrator to look to the matter of overall compensation. There in fact was little offered as to this matter other than data regarding longevity, overtime, and wages and salaries -- the issues at impasse here. The City, pointing out that Rock Island ranks second in terms of paid days off, did offer the following data:

City	Vacation	Holiday	Personal	Total
Granite City	10	0	0	10

Urbana	10	8	0	18
Moline	6	11	1	18
Danville	10	10	0	20
Alton	10	10	0	20
Belleville	10	9	2	21
Normal	10	8	3	21
Quincy	10	10	1	21
Rock Island	10	8	4	22
Galesburg	20	0	3	23

While the difference between the 22 days paid by Rock Island and the 21 paid by Belleville, Normal, and Quincy obviously is small, the data do show that Rock Island is more generous, so to speak, than all but one of the comparables. Still, insofar as the factor of overall compensation is concerned, the arbitrator simply does not have enough information to conclude that the Union proposal for increased longevity pay should be adopted.

Finally, there is, to quote §14(h)(8), the matter of "other factors which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, ... arbitration or otherwise...." Sometimes, the issue of productivity is considered. Here, neither party has suggested that productivity is a relevant factor, nor does the arbitrator see it as such. Since the record does not show that increased pay would be a reward for increased productivity, or a measure designed to boost currently inadequate productivity, this criterion is inapplicable here.

Sometimes, the history of past practices is taken into account. Here, there is nothing in the record regarding prior negotiations or anything as to patterns of wage increases, or rank

differential increases.

Finally, the City argues that an increase would constitute a breakthrough, and that breakthroughs are generally disfavored. This argument need not be addressed, since the arbitrator's conclusion is to reject the Union's proposal.

5. Conclusion

For the foregoing reasons, the Union's proposal for rank differentials is rejected, and the City's proposal is adopted.

AWARD

The arbitrator adopts the Union's proposal regarding overtime compensation for sergeants, and adopts the City's proposals regarding longevity and the increase in wages, or rank differentials, for lieutenants and captains.⁵⁰

⁵⁰ The parties stipulated that the arbitrator has the authority to issue an award providing for increases in wages and other forms of compensation retroactively. Jt. Exh. 2 Thus, there is no problem here in determining whether the award regarding overtime compensation should apply retroactively. It does.

Dated: _____

Howard Eglit
Arbitrator