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IN THE MATTER OF THE INTEREST ARBITRATION

BETWEEN

JOINT EMPLOYERS
SANGAMON COUNTY/SANGAMON COUNTY SHERIFF'S DEPARTMENT
SANGAMON COUNTY, ILLINOIS

AND

UNION
ILLINOIS FRATERNAL ORDER OF POLICE LABOR COUNCIL,
IND.; LODGE 55

ISLRB CASE NOS. S-MA-94-41 & S-MA-94-42

FINDINGS AND AWARD

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

Rendered By:

GEORGE EDWARD LARNEY
Sole Interest Arbitrator

May 22, 1995
Chicago, Illinois

IN THE MATTER OF THE INTEREST ARBITRATION

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JOINT EMPLOYERS
SANGAMON COUNTY/SANGAMON COUNTY
SHERIFF'S DEPARTMENT
SANGAMON COUNTY, ILLINOIS

AND

UNION
ILLINOIS FRATERNAL ORDER OF POLICE
LABOR COUNCIL, IND.; LODGE 55

ISLRB CASE NOS. S-MA-94-41 & S-MA-94-42

IMPASSE ISSUES

- SINGLE COVERAGE HEALTH INSURANCE APPLICABLE TO RETIREES IN THE DEPUTY BARGAINING UNIT AND THE DISPATCHER BARGAINING UNIT
- DEPENDENT COVERAGE DENTAL INSURANCE APPLICABLE TO RETIREES IN THE DEPUTY BARGAINING UNIT AND THE DISPATCHER BARGAINING UNIT

I. PRELIMINARY INFORMATION

CASE PRESENTATION APPEARANCES

JOINT EMPLOYERS

JAMES A. SPIZZO
Attorney
VEDDER, PRICE, KAUFMAN & KAMMHOLZ
222 North LaSalle Street
Chicago, Il 60601-1003
(312) 609-7500
(312) 609-7705

UNION

WAYNE M. KLOCKE
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ILLINOIS FOP LABOR COUNCIL
6345 West Joliet Road
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Springfield, IL 62704
(217) 698-9433

AUTHORITY TO ARBITRATE

ILLINOIS PUBLIC LABOR RELATIONS ACT (IPLRA) - January, 1992
(Ill.Rev.Stat. 1991, Ch. 48, pars. 1601 et. seq.) [5 ILCS 315}
Section 14, Security Employee, Peace Officer and Fire Fighter Disputes

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

Part 1230: Impasse Resolution

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

and

December 1, 1992 - November 30, 1995 LABOR AGREEMENT,
Article 33, Duration, Section 1, Terms of Agreement, p. 42
Article 7, Collective Bargaining/Impasse Resolution, p.7

COURT REPORTERS

DEBORAH A. STEWART, CSR/RPR
(Reported Hearing of August 29, 1994)

AMY L. BALLINGER, CSR
(Reported Hearing of September 16, 1994)

DEBBIE A. STEWART COURT REPORTING
700 McAdam Drive
Taylorville, IL 62568
(217) 287-7308
(1-800) 252-1684

LOCATION OF HEARING

Sheriff's Office Building
Sheriff's Conference Room, First Floor
One Sheriff's Plaza
Springfield, Illinois
(217) 753-6880

WITNESSES (In order of respective appearance)

FOR THE JOINT EMPLOYERS

JAMES A. SPIZZO*/
Attorney for Sangamon County

J. TED BUECKER
Member, Sangamon County Board of Supervisors

FOR THE UNION

JOHN STECKENRIDER
Deputy Sheriff-Lieutenant

EUGENE ROBINSON
Deputy Sheriff - Retired

DAN PETRILLI
Former Member, Sangamon County Board of Supervisors & Former Chairman, County Board Negotiating Committee; & Agent, Equitable Financial Companies

JOHN LEWIS
Deputy Sheriff - Detective Lieutenant

JOSEPH C. RATH
Deputy Sheriff & Member Lodge 55 Bargaining Committee

TED STREET
Field Representative & Member, Board of Trustees Illinois FOP Labor Council

PATRICK L. DAVLIN
Deputy Sheriff & Member Lodge 55 Bargaining Committee

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*/ Testified in both the Case-in-chief and in Rebuttal.

OTHERS IN ATTENDANCE AT HEARING

FOR THE JOINT EMPLOYERS

CHRIS KRATZER
Chief Deputy

FOR THE UNION

DENNIS M. KARHLIKER+/
Deputy Sheriff-Detective

BRUCE E. MADDOX
Chairman, Lodge 55
Bargaining Committee

ART STONE+/
Former Executive Director,
Illinois FOP Labor Council;
& Chief of Police
Illinois State Attorney
General's Office

DAVID NIXON**/

KEVIN W. HARNEY**/
Member, Lodge 55 Bargaining
Committee

STEVE ROUSEY**/
Case Review Manager,
Illinois FOP Labor Council

CHRONOLOGY OF RELEVANT EVENTS

Parties Agreed to Reopen the 1992-95 Labor Agreement in the Second and Third Years (1993 and 1994 Respectively) Relative to Article 25 Issues of Wage Rates and Article 29 Issues of Insurance; Effective Date of Labor Agreement	December 1, 1992

+/ In attendance at the August 29, 1994 hearing only.

**/ In attendance at the September 16, 1994 hearing only.

CHRONOLOGY OF RELEVANT EVENTS (continued)

Formal Written Notice by Union Field Representative, Ted Street to Sangamon County Sheriff, William DeMarco of the Union's Demand to Bargain Pursuant to the Second Year Reopener as Provided for in Article 33, Section 1 of the 1992-95 Labor Agreement; Written Notice by Letter Dated	August 3, 1993
Employer Tendered Revised Proposal Regarding Wage and Insurance Issues Considered Under the 1993 Reopener; Date of Proposal and Its Transmission to the Union	January 21, 1994
Union Notified County in Writing That Its Deputy Bargaining Unit Had Ratified the County's January 21, 1994 Proposal in Part, But Had Rejected the Proposal Regarding Insurance Applicable to Retirees; Letter Dated	April 5, 1994
By Written Memorandum James Spizzo, Counsel for the County Advised the Sangamon County Board of the Status of Labor Negotiations Regarding Among Other Bargaining Units, the Sheriff's Deputies and the Dispatchers that Impasse Had Been Reached on the Issue of Retiree's Health Insurance With Both Bargaining Units and, in Addition on the Issue of Wages With the Dispatcher Bargaining Unit; Counsel Spizzo Further Advised that Interest Arbitration Had Been Set to Hear these Identified Impasse Issues on June 3, 1994; Memorandum dated	April 12, 1994

CHRONOLOGY OF RELEVANT EVENTS (continued)

On the Date of the Interest Arbitration This Arbitrator Persuaded the Parties to Engage in Mediation the Result of Which Was that the Parties Reached a Settlement on Wages for the Dispatchers Bargaining Unit and Agreed to Continued Negotiations on the Issue of Retiree Health Insurance Common to Both the Deputies and Dispatchers Bargaining Units With the Understanding that If the Parties Were Unable to Reach Closure on this Remaining Issue It Would Reconvene an Interest Arbitration Hearing; Date of Mediation	June 3, 1994
Interest Arbitration Hearing Held Regarding Two Issues Pertaining to Retiree's Health and Dental Insurance; Date of Hearing	August 29, 1994
Transcript of 238 Pages Covering the Hearing of August 29, 1994 Received by the Arbitrator	September 12, 1994
Second Hearing Conducted by Telephone Conference	September 16, 1994
Transcript of 105 Pages Covering the Hearing of September 16, 1994 Received by the Arbitrator	October 3, 1994
Post-Hearing Briefs Received by the Arbitrator	
JOINT EMPLOYER	November 15, 1994
UNION	November 18, 1994
Reply Briefs Received by the Arbitrator	
JOINT EMPLOYER	December 1, 1994
UNION	December 3, 1994
By Letter Dated December 6, 1994, the Arbitrator Interchanged the Reply Briefs and Declared the Case Record in this Matter Officially Closed As of the Receipt Date of the Last Reply Brief; Case Record Closed	December 3, 1994

II. ISSUES AT IMPASSE

Absent a joint stipulation, the Joint Employer and the Union separately state the issues at impasse to be resolved by the Interest Arbitrator as follows:

JOINT EMPLOYERS

Whether the Joint Employer's proposed application of the language of the deputy and dispatcher collective bargaining agreements currently residing in Article 29, Section 1, addressing retirees' health insurance benefits and dependent dental benefits is appropriate.

UNION (as restated by the Arbitrator)*+/

1. What should the terms of the Sangamon County Communication Operators/Dispatchers' Contract and the Sangamon County Sheriff's Deputies' Contract be with reference to retirees' health insurance?

2. What should the terms of the Sangamon County Communication Operators/Dispatchers' Contract and the Sangamon County Sheriff's Deputies' Contract be with reference to dental insurance?

Pursuant to Section 14(g) of the Illinois Public Labor Relations Act hereinafter Act or IPLRA issues at impasse must be delineated as either Economic in nature or Non-Economic in nature. The Arbitrator identifies the two (2) issues at impasse in this subject proceeding to be Economic in nature.

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*+/ The Arbitrator notes for the record that the Union separated both questions for each of the two bargaining units thus stating four (4) separate issues to be resolved. Although cognizant of the fact that the identical issues pertain to two (2) separate bargaining units, the Arbitrator moved to consolidate the four (4) issues into two with an understanding that the final offer selected would be applicable to both units as neither Party has proposed a different final offer applicable to each unit.

The IPLRA mandates that economic issues be subjected to the scrutiny of bargained arrangements between parties in the indentical line of work, here peace officers, in comparable communities using comparable statistics for comparative purposes. It is incumbent, therefore, upon the parties to an interest arbitration either jointly or separately to propose a list of comparable communities from which the interest arbitration panel or, as here, the sole interest arbitrator, selects the communities deemed to be truly comparable based on such factors as geographical proximity, population, equalized assessed valuation of property, sales tax, labor market conditions both general and specific and other factors identified to be applicable and pertinent. In the case at bar, the Parties are in agreement that the following Illinois Counties are comparable to Sangamon County:

1. Champaign
2. Macon
3. Madison
4. McHenry
5. McLean
6. Peoria
7. Rock Island
8. Tazewell

Based on a review of the supporting data contained in Volume II of the Employer's evidence, the Arbitrator is persuaded that the above eight (8) identified Counties are comparable to Sangamon County relative to a number of factors understood to constitute relevant comparisons.

III. INTEREST ARBITRATOR'S RESPONSIBILITY

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

(1) The lawful authority of the 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.

IV. STIPULATIONS

At, and during the arbitral hearings in this matter, the Parties agreed to the following:

- To waive the tripartite Interest Arbitration Panel provided for by the Illinois Public Labor Relations Act in favor of having the neutral arbitrator function as the sole interest arbitrator with his decision being accepted as final and binding and dispositive of the impasse issue.

- To permit the filing, if elected, of matters of public record, such as census data, collective bargaining agreements and financial statements along with the submission of post-hearing briefs.

- To submit last, best and final offers simultaneously with the filing of reply briefs.

V. BACKGROUND

Sangamon County, a unit of county government and Sangamon County Sheriff's Department, a departmental sub-unit of county government whose function is to provide police and protective services to persons both domiciled and otherwise physically present within the geographical boundaries of the County are for the purposes of collective bargaining deemed to be Joint Employers, hereinafter known variously as Employer, County or Department. Lodge 55 of the Illinois Fraternal Order of Police Labor Council, Independent, hereinafter Union, is the sole and exclusive bargaining representative of all tenured Merit Deputies by the Merit Commission and Court Security Officers, known as Officers, except Court Security Lieutenant, Captains, Undersheriff, Chief Deputy, Administrative Assistant and the Sheriff, for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other terms and conditions of employment. At the time of this interest arbitration there were sixty-three (63) full-time Merit Deputies that comprised the Merit Deputies bargaining unit. Lodge 55 also exclusively represents for purposes of collective bargaining other employees of the Sheriff's Department arrayed in three (3) other bargaining units which are the Dispatchers, the Civilians, and the Jailers.[1] The impasse issues which are the subject of this interest arbitration also concerns the Dispatcher's bargaining unit which consists of fifteen (15) employees. The Employer and the Union, together hereinafter the Parties, have maintained a formal collective bargaining relationship since the inception of their initial written "Memorandum of Understanding" which became effective December 1, 1982, a month and day that also begins the County's fiscal year.[2] At the time of this interest arbitration, the

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[1] In addition to the Illinois Fraternal Order of Police Labor Council, the County also maintains bargaining relationships with two other labor organizations (Unions) to wit: American Federation of State, County, Municipal Employees (AFSCME) which represents the highway road crews; and the Illinois Federation of Teachers (IFT) which represents clerical employees in the County Recorder's Office.

[2] The Arbitrator notes the County voluntarily recognized the Union as the exclusive collective bargaining representative of all the Merit Deputies recognized by the Merit Commission, except Captains and the Sheriff with respect to rates of pay, wages, hours of employment and other terms and conditions of employment. The Arbitrator notes further that the County's voluntary recognition of the Union predated the passage of the Illinois Public Labor Relations Act which authorizes collective bargaining for peace officers and firefighters throughout the State of Illinois. The Arbitrator additionally notes that following passage of amendments to the Act providing for the inclusion of peace officers, the

(continued...)

Parties were governed by the terms, provisions and conditions contained in the 1992-95 Labor Agreement hereinafter 92-95 Agreement.

The Union submits the bargaining history of the Parties beginning especially with the 1984-86 Agreement (Un. Ex. 1) is critical to the understanding and resolution of the instant dispute whereas, the Employer adamantly takes exception and objects to this espoused Union view asserting that, that which occurred prior to the outcome of negotiations which ultimately resulted in the 1989-92 Agreement is simply immaterial and irrelevant. For the sake of full discussion and the findings to follow, the Arbitrator is of the view that a synopsis of the bargaining history is in order. Initially, the Parties entered into a written Memorandum of Understanding that was agreed to be effective as of December 1, 1982 and set to expire as of November 30, 1985 (Un. Ex. 3).[3] Among the thirty-six (36) Articles contained in this Agreement was Article 32 addressing insurance issues, both medical identified as hospitalization, and life insurance. Under the Hospitalization clause, the Parties agreed to the following with respect to insurance for retirees:

> If, during the contract terms, retired employees are allowed to purchase the hospitalization program at the active group rate, that same benefit will be extended to officers covered by this contract.

In its post-hearing brief, the Employer asserts that this provision left completely to its discretion the issue of coverage of medical insurance for retirees.

Notwithstanding the fact that this initial Agreement was set to expire November 30, 1985, the Parties nevertheless negotiated a successor agreement that became effective December 1, 1984 with an expiration date of November 1, 1986 (Un. Ex. 1).[4] The Parties

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[2](...continued)
bargaining unit for Deputies and the bargaining unit for Dispatchers were certified as of August 20, 1986 by the Illinois State Labor Relations Board.

[3] A perusal of this Agreement's Recognition clause reflects that the bargaining unit as initially constituted included only all Merit Deputies recognized by the Merit Commission, except Captains and the Sheriff and that it was not until after the successor 1984-86 Agreement that Court Security Officers were added.

[4] The Arbitrator notes the Parties did not disclose at hearing the facts or circumstances that brought about the ending of the initial Memorandum of Agreement (Un. Ex. 3) a year earlier than when it was originally set to expire. The Arbitrator further
(continued...)

negotiated the following provisions pertaining to Hospitalization Insurance:

> The Employer's present complete basic Hospitalization and Dental Program shall be maintained at its present level for one year and will not be modified or reduced per (Attachment B). Retired employees shall be provided this same Hospitalization and Dental Program for the same cost, and on the same terms and conditions as active employees, and at the active group rate. For the purposes of this Article, an employee shall be considered retired when that employee meets the following criteria:
>
> 1. Terminates the employment with the employer for any reason other than "Just Cause Discharge."
>
> 2. Have attained the following requirements:
> A. Must have vested a minimum of 15 years into the I.M.R.F. [Illinois Municipal Retirement Fund] Program;
> B. Must have attained at least 55 years of age.

In comparing this provision with its predecessor, one of the changes that was made was the addition of a dental plan to the medical benefits provided to the active employees. This expansion of medical benefits was also made available to retired employees but it was not until negotiations for the current 1992-95 Agreement that a dispute arose pertaining to the basis upon which said medical benefits were to inure to retirees. The Union asserts that at the time the language of this provision was agreed upon, the Employer was paying the full cost of medical premiums associated with single coverage for employees only and that employees who opted to have dependent coverage paid a portion of the medical insurance premiums but at a reduced rate with the Employer paying the remaining portion of the premium costs. Given this application for active employees, the Union believed that, based on the language contained in the Hospitalization clause, retirees would be treated identically. John Steckenrider, a member of the Union's bargaining committee for the 1984-86 Agreement as well as the current 1992-95 Agreement testified that when bargaining for the 1984-86 Agreement, the Parties engaged in discussions regarding

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[4](...continued)
notes, however, that subsequent to the imposition of the 1982-85 Agreement (Un. Ex. 3), the Illinois Legislature passed the Illinois Public Labor Relations Act that took effect July of 1984 and was made applicable to police and security officers and firefighters by way of amendment in January of 1986.

health insurance for retirees. Steckenrider recalled that the County was seeking to make the health insurance program uniform among all County employees and that the Union took the position they were different from other County employees in that they worked around the clock hours, weekends and holidays and they had considerably more responsibility than the vast majority of other County employees and, as a result, they should be treated differently. With respect specifically to retirees, Steckenrider testified the Union advanced the proposition that given that deputies would have to accrue twenty (20) years of service before retirement, the County should bear the cost of paying single coverage health insurance premiums for retirees. Steckenrider noted in his testimony that at the time of these negotiations the County was paying the single coverage health insurance premium for active employees. Steckenrider testified that to the best of his knowledge, the County began paying the single coverage health insurance premiums for those employees who retired after the 1984-86 Agreement went into effect and that this benefit continued to be paid in the future thereafter.[5] Steckenrider averred that had he believed this

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[5] The Arbitrator notes that, in fact, the first retiree from the Sheriff's Department to be the recipient of County paid single coverage health insurance premiums was one Charles Morgan who retired as of June 30, 1984, approximately five (5) months prior to the effective date of the 1984-86 Agreement (see Tab 15, Emp. Ev. Vol III). In other words, Morgan retired at a time the initial 1982-85 Memorandum of Agreement was in effect. There is nothing in the record evidence that indicates whether Morgan was conferred this benefit at the very beginning of his retirement or whether the benefit was conferred after the fact of his retirement as a result of what was bargained for in Article 32 of the 1984-86 Agreement. If the former is the case, it would suggest the existence of an ad hoc agreement as the controlling language in the 1982-85 Memorandum of Agreement provided only for the possibility that retirees be allowed to purchase single coverage health insurance as the then applicable provision stated, "If during the contact terms, retired employees are allowed to purchase the hospitalization program at the active group rate, ..." If Morgan had been allowed to purchase single coverage health insurance at the time he retired, then when the 1984-86 Agreement took effect it appears this arrangement was supplanted by one where the County paid for Morgan's health insuance premium for single coverage. The Arbitrator notes that a second employee, Enos Hardy, retired prior to the effective date of the 1984-86 Agreement (September 21, 1984) but unlike Morgan, he pays a monthly charge of twenty dollars ($20.00) for his single coverage health insurance plan. County Counsel, James Spizzo, offered as an explanation for this monthly assessment that Hardy elected the more expensive $250.00 deductible option. Spizzo was at a loss, however, as to how this option was made available to Hardy (see Vol. I, Tr. p. 96). The record

(continued...)

retiree benefit was non-existent, he would have acted to secure supplemental insurance on his own at an earlier age for less cost than it will cost him now at age 52. In fact, and there is no dispute between the Parties on this point, as employees in the bargaining unit began to retire subsequent to the effective date of the aforecited 1984-86 Agreement language, those eligible received single coverage medical insurance completely paid for by the Employer.

Dan Petrilli, a former elected Member of the Sangamon County Board who served from 1980 until 1988, testified that while a Member of the Board he served as Chairman of the County's collective bargaining committee for both the initial 1982-85 Agreement and the successor 1984-86 Agreement. Petrilli testified that, in addition to himself, other members of the County's collective bargaining committee were Jim Moody and Frank McNeil. Petrilli explained that in the negotiations for the 1984-86 Agreement, the County and the Union engaged in substantial discussion regarding the retention of deputies and not wanting the Sheriff's Department to be a training ground for other law enforcement agencies. In this regard, the Parties also had much discussion centering around comparisons of economic benefits with those of other law enforcement agencies in other locales but most particularly with the Springfield Police Department. According to Petrilli, there were four (4) key items comprising the economic package that was bargained which was viewed by the County's bargaining committee as an incentive for the Deputies to want to become career merit employees with the

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[5](...continued)
evidence further reflects that a third bargaining unit employee, Bill Goveia, retired during the term of the 1984-86 Agreement and that another two (2) employees, Sue Suppan and Eugene Robinson, retired during the term of the 1986-89 Agreement. The record evidence further reflects that all three (3) of these employees receive single coverage health insurance, the premium costs of which are completely paid for by the County. Under the 1989-92 Agreement, the record evidence reflects that three (3) more employees retired, to wit: Robert Rhoades, Jim Campbell, and Gail Cooper. Campbell and Cooper receive single coverage health insurance, the premium costs of which are fully paid for by the County and Rhoades pays a monthly premium cost of $132.00 for dependent coverage. In total then, there are eight (8) retirees at present who receive health insurance benefits under the status quo. Given the fact that the Deputy workfore is a mature labor force with an average length of service of fourteen (14) years, it is anticipated there will be numerous retirements in the next five (5) years. Of the 63 employees in the Deputy bagaining unit presently, it is possible for twenty-four (24) of them to have acquired at least twenty (20) years of service and be age 50 or older at or before the turn of the century which would make them eligible for retirement.

Sheriff's Department and one of those items was medical insurance. The other three (3) items, according to Petrilli, were wages, additional remuneration in the form of longevity adjustments to wages and uniform allowance. Petrilli testified that the language ultimately agreed to pertaining to the medical and dental benefits applicable to retirees was worded in such a way as to avoid locking the County into a fixed dollar amount. According to Petrilli, in order to accomplish this objective, the Parties devoted a fair amount of time and effort to the wording of the provision. In Petrilli's own words from his testimony, "[it] took a little bit of messing around with to get it worded this way." In pertinent part, the relevant language comprising the Hospitalization clause of Article 32 on Insurance in the 1984-86 Agreement (Un. Ex. 1) reads as follows:

> Retired employees shall be provided this same Hospitalization and Dental Program for the same cost, and on the same terms and conditions as active employees, and at the active group rate.

Petrilli noted that at the time the Parties agreed to this language, it was the County's intent and understanding it would pay the premium costs for single coverage health insurance for retirees at whatever the rate it was paying for this same benefit for active employees. Petrilli asserted that with respect to the then current arrangement that existed for active employees which was that the County fully paid the premium costs for single coverage health insurance, this identical arrangement would be extended to retirees.[6] According to Petrilli, the language of this negotiated provision did not apply to dependent coverage health insurance.[7]

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[6] Petrilli explained that the phrase, "and at the active group rate" in the negotiated language of the provision was meant to apply to a future situation where, if circumstances dictated, active employees had to pay the premium costs for single coverage health insurance so would retirees and that the costs would be those determined by the "active group rate." Petrilli further explained that the phrase "for the same cost" was intended to insure that, if active employees began paying something toward the premium costs of single coverage health insurance, retirees would contribute the same payment amount rather than be expected by an insurance carrier to pay a higher amount as a result of the fact they comprised a group of older persons.

[7] The record evidence reflects that with respect to dependent health insurance coverage, the County paid a portion and the employee paid a greater portion of the premium costs. In comparison to other County employees, the FOP bargaining unit employees pay less of a premium for dependent coverage health insurance. Retirees from the bargaining unit who elect to continue dependent coverage pay the entire portion of the premium costs but

(continued...)

Petrilli related that given the way in which the County Board functioned with respect to discussing items under consideration in bargaining and prior to their approval by the full Board especially with respect to economic items that "most assuredly" all Members of the County Board were aware at the time of the intent and understanding regarding the health insurance arrangement for retirees. Petrilli noted that, in addition, it was understood by both Parties that the insurance benefit was just one of four items comprising the economic package and there was no effort to set apart any one of these items in the overall scheme of the negotiations. Petrilli stated, to the best of his recollection, that the retiree insurance benefit agreed upon by the Parties in negotiations for the 1984-86 Agreement was not a benefit that existed for police officers in the City of Springfield which was a law enforcement agency most often used for comparison purposes during bargaining.

Detective John Lewis, a Lieutenant in the Department with twenty-four and a half (24 1/2) years of service, testified that with respect to negotiations for the 1984-86 Agreement (Un. Ex. 1), he functioned as the Union's primary note taker. Lewis related that during extensive negotiations over Article 32 on Insurance, one of the proposals concerning the criteria for defining an employee considered for purposes of the insurance provisions to be retired was that the employee would have to have attained age 55 and have twenty (20) years of service. According to Lewis, in and around the time of these negotiations, one Charlie Morgan, a Deputy in the Department, expressed the desire to retire but though he met the discussed age requirement of 55, he only had attained fifteen (15) years of service. Lewis recalled that Morgan's situation was brought to the attention of County Board Finance Committee Chairman, Patrick Noonan, and others on the County Board and that the County took the position that if a change from 20 years' service to 15 years' service was only going to affect one person, it would agree to the criterion of 15 years. A perusal of the criteria ultimately adopted reflects that an employee is considered to be retired if he/she attains the age of at least 55 years, has vested a minimum of 15 years into the IMRF Program and terminates his/her employment for any reason other than 'Just Cause Discharge' (Un. Ex. 1).[8] The record evidence reflects that, in fact, given

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[7](...continued)
at a reduced rate relative to the applicable rate for other County retirees (see Tab 9, Vol. III).

[8] The Arbitrator notes that there is a distinction to be made between 15 years of service with the Department as was apparently the case with employee Charlie Morgan and having vested 15 years into the IMRF Program. It is possible for one to have worked at more than one public sector agency in his/her career and thus to have vested into the IMRF Program with 15 years of service
(continued...)

this Agreement, Charlie Morgan was the first bargaining unit employee in the Sheriff's Department to retire and be subject to the provisions of Article 32 of the 1984-86 Agreement (Jt. Ex. 1). According to Lewis, the County agreed to make an exception for Morgan and indicated his insurance would be paid by it upon his retirement. In fact, the document at Tab 16B, Vol. III of the Employer's evidence shows Morgan as having retired on June 30, 1984 at age 65 and at the time the monthly premium cost for single coverage health insurance was $61.78.[9] Consistent with what Lewis testified to, the County began paying the full monthly premium cost for single coverage health insurance for Morgan upon his retirement. So for the remaining six (6) months of 1984, the County paid a total of $370.68 for Morgan's single coverage health insurance.[10] According to Lewis, while the County made an exception in Morgan's case regarding the number of years of service needed to retire, the County indicated that it would pay the premium for single coverage health insurance for other employees who met the requirements/criteria for retirement upon their retirement. In fact, the document identified as Tab 16B in Vol. III of the Employer's evidence reflects that nearly three (3) months after Morgan retired, Deputy, Enos B. Hardy, retired on September 21, 1984, approximately one (1) month shy of his sixty-fifth birthday and for the remaining three (3) months of 1984 the County paid the full monthly premium costs for his single coverage health insurance.[11]

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[8](...continued)
at any one of the public sector agenices he/she worked for. Apparently, Morgan's only employment at a public sector agency in the State of Illinois subject to IMRF contrbutions for retirement was the Sangamon County Sheriff's Department. In his case therefore the vesting requirement of 15 years set forth in Article 32 was exactly identical to the number of years of service he had accrued in the Sheriff's Department.

[9] The Arbitrator notes a discrepancy in the monthly premium rates for single coverage health insurance cited in the document at Tab 16A and those cited at Tab 9, Vol. III of the Employer's evidence. The Arbitrator is persuaded from the type of error that was made which apparently was skipping over the 1984 rate on Tab 9 and citing the 1985 rate on the document at Tab 9 as the 1984 rate on Tab 16B, that the correct rate for 1984 is the one cited at Tab 9 which is $61.78 as opposed to $67.09.

[10] Given the error cited in footnote 9 supra, the total cost to the County was $370.68 (61.78 x 6 months) as opposed to the cited $402.54 amount (67.09 x 6 months).

[11] Due to the error noted in footnote 9 supra, the cost to the County was $185.34 and not the amount of $201.27 cited in Tab 16B.

Additionally, during the term of the 1984-86 Agreement, a third bargaining unit employee, Bill H. Goviea, retired on January 13, 1986, four (4) months shy of his sixty-sixth birthday. At the time of his retirement, the monthly premium cost for single coverage health insurance was $80.82. The record evidence reflects the County paid the entire premium cost for Goviea's single coverage health insurance for the entire twelve (12) months of 1986 amounting to a total outlay of $969.84 for the year and that it has continued to pay his monthly premiums ever since up to and through the present time.

Lewis asserted that the County indicated its willingness to grant retirees this medical insurance benefit of paying the full cost of the premium for single coverage health insurance as a means to stanch the exodus of officers from the Sheriff's Department for employment at other law enforcement agencies that paid higher wages and had better benefits such as the Secretary of State's office or the City of Springfield Police Department. According to Lewis, Petrilli looked upon this benefit as an incentive for deputies to stay with the Sheriff's Department and gave his assurance to the Union's bargaining committee he would advocate before the full County Board to grant this benefit. Lewis recalled that the 1984-86 Agreement (Un. Ex. 1) was not ratified until after the effective date of the Agreement which was December 1, 1984 but that the Parties had agreed to retroactivity of benefits.[12] Lewis, in his testimony, corroborated that of Petrilli's on the point that in negotiations for the 1984-86 Agreement (Un. Ex. 1) the County took the position that it would not separate out any of the economic items being negotiated but rather treated all the economic items which included the health insurance benefit for retirees as a package.

The record evidence reflects that in negotiations for the successor 1986-89 Agreement, the Parties made only one change to the Insurance clause, Article 32 and that was to amend the criterion

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[12] The record evidence comports with Lewis' testimony as has been explained elsewhere in this Background section that the premium costs for single coverage health insurance for retirees was paid by the County for retirees Morgan and Hardy. The Arbitrator notes, however, that the payment of this benefit went beyond the typical application of retroactivity in that retroactivity would have, in this case, been extended back to the effective date of the Contract which was December 1, 1984. However, since Morgan retired June 30, 1984 and the County, as shown by the record evidence, paid for the remaining six (6) months of premiums for his single coverage health insurance and did the same for Hardy when he retired on September 21, 1984, that is, paid for his remaining three (3) months of health insurance premiums, the County made this benefit retroactive beyond the effective date of the 1984-86 Agreement.

Insurance clause, Article 32 and that was to amend the criterion pertaining to the minimum age requirement for an employee to enter into retirement. Instead of having to attain the age of 55 as was set forth in the criteria in the 1984-86 Agreement, the criterion for age was changed to read, "[m]ust have attained the minimum retirement age as defined in Illinois Revised Statutes." According to John Lewis, the IMRF redefined its age requirement for retirement to 50 years of age noting, however, that at this minimum age one would receive only partial retirement benefits until reaching an older age. Perusal of the record evidence reflects that during the effective period of the 1986-89 Agreement, two (2) additional bargaining unit employees retired from the Sheriff's Department and that both received the benefit of single coverage health insurance, the premium costs of which were fully paid for by the County. These two (2) employees were Sue Suppan, who retired approximately at age 63 1/2 on February 6, 1987, and Eugene Robinson, who retired at a little more than age 59 on November 23, 1988. Robinson testified it was his understanding from a long time ago that when he retired he would continue to receive single coverage health insurance at no cost to himself. Robinson observed that over time since his retirement, the benefit of cost free single coverage health insurance has become less favorable to him because of the subsequent changes involving deductibles and co-payments. Robinson contended that had this benefit not been available, he more than likely would have worked awhile longer before retiring. Robinson noted that at the time of his retirement, his rank was Captain (a rank outside the bargaining unit) but that his certified rank was that of Lieutenant (a rank included in the bargaining unit). Robinson related that as a retiree, he has never served as a Member of the Union's collective bargaining team.

In negotiations for the successor 1989-92 Agreement which commenced in the Fall of 1988 and did not end until sometime in 1991, the Employer sought and achieved several changes in the area of health insurance prompted, according to the Employer, by a nearly three hundred percent (300%) increase in employee health and dental benefit costs. As noted by the Employer, the County employs in excess of seven hundred (700) employees and, of this total, the Sheriff's Department alone employs over two hundred (200) persons. Although the Sheriff's Department employs approximately 28½ percent of the County's total labor force, the Department's budget accounts for more than a third (33 1/3% +) of the County's corporate fund according to the Employer. Additionally, the Employer notes, without dispute by the Union, that since 1990 the County has experienced a substantial depletion of its cash reserves. Specifically, in 1990, the County's cash reserve totalled $5.1 million and, at present, the 1994 fiscal year-end reserve is expected to be approximately $1.6 million.

Ted Buecker, a member of the Sangamon County Board of Supervisors testified that in negotiations for the 1989-92 Agreement he

functioned as a Co-Chairman of the County's Collective Bargaining Committee along with Dan Petrilli. According to Buecker, Petrilli bargained with the Fraternal Order of Police (FOP) bargaining units whereas he bargained with the Teamsters Union and with the American Federation of State, County and Municipal Employees. Buecker related that when Petrilli left the Board in November of 1988, he assumed sole responsibility as Chairman of the County's Collective Bargaining Committee and took over the negotiations with the FOP. Buecker recalled that in late summer of 1988 prior to entering into negotiations for the 1989-92 Agreements, he along with County Counsel, Jim Spizzo, met with County Board Chairman, Patrick A. Noonan, at which meeting Noonan instructed that the County wanted to make identical the medical insurance provisions pertaining to each bargaining unit so that all organized employees (Union) would have equal benefits. According to the Employer, this effort to standardize insurance among all unionized employees was prompted by a nearly three hundred percent (300%) increase it had experienced up until that time in employee health and dental benefit costs. Buecker testified that in order to meet the objective of the directive given him by Noonan, the bargaining by the County focused mainly on bringing into line the several different rates that were being charged Union employees for dependent coverage health insurance. Patrick Davlin, a Deputy with the County Sheriff's Department and a Member of the Union's Bargaining Committee for the 1989-92 Agreement, testified that at the time the Parties entered into negotiations which was the Fall of 1988, members of the bargaining unit, both Deputies and Dispatchers, paid a premium rate for dependent coverage health insurance that was below the rate paid by the other County employees. Davlin testified the Parties held a twelfth hour mediation session on October 26, 1990 to settle the impasse reached over the remaining open issues involving health insurance as a means of averting a scheduled interest arbitration. According to Davlin, the whole crux of the impasse centered around dependent insurance coverage and he recalled from memory first and then reference to his handwritten notes of the meeting (Un. Ex. 15) that the County had indicated it would continue to pay the single coverage health insurance premiums for both the active Deputies and the retirees.[13] Davlin further recalled from memory that retirees would be subject to paying the same premium rates for dependent health insurance coverage as the active employees and that there would be a graduated phase-in of the increases in the premium rates for dependent coverage to eventually match the premium rates paid by the other County employees for dependent coverage. Davlin recalled retirees would be subject to the same phase-in increases

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[13] Perusal of Davlin's handwritten notes (Un. Ex. 15) reflect that on the very first page of a total of five (5) pages, Davlin recorded among five points listed the following as his first point, to wit, "Maint. Emp. & Ret." According to Davlin, this was an abbreviation which stood for, "Maintain paying employee and retiree's insurance" (Tr. Vol. II, pp. 297-298).

as the active employees. Davlin testified that as a means of obtaining the Union's agreement to eventually have their members pay the same premium rates as all other County employees, the Employer's quid pro quo was a buyout of the deputies who were taking dependent coverage for a lump-sum monetary amount of $3,500 and a buyout of the deputies who were not then taking dependent coverage at a lump sum payment of $1,000 in recognition that, at some future date, if they opted to purchase dependent coverage they were precluded from doing so at a reduced rate.

In further testimony, Davlin related numerous language changes were effected to almost all provisions comprising the Agreement as the Employer expressed a desire to clean-up the Contract to, among other things, align the provisions with changes in the governing statute (meaning the Illinois State Labor Relations Act). This "housekeeping" of the Contract as Davlin asserted the Employer characterized the effort included renumbering provisions as well. Davlin noted these changes extended to the Insurance clause in that it was renumbered from Article 32 to Article 29 and the phrase, "for the same cost" was deleted from the sentence pertaining to the hospitalization and dental program applicable to retired employees. The pertinent language read as follows:

> Retired employees shall be provided these same Hospitalization and Dental programs on the same terms and conditions as active employees, and at the active group rates, subject to the provisions of this Article.

A comparison of this language from the 1989-92 Agreement with the language of the predecessor 1986-89 language reveals two additional changes, to wit, the word rate in the phrase, "the active group rate" was pluralized, and the ending phrase, "subject to the provisions of this Article" was added. Davlin asserted the removal of the phrase, "for the same cost" was effected because had it remained it would have caused confusion as to the meaning of what the Parties had further agreed to in a Letter of Understanding that was entered into in early March of 1991. A perusal of this Letter of Understanding reveals that the Parties agreed to institute the provisions contained in the Insurance clause, Article 29 as of the execution date of the Agreement and not the effective date of the Agreement which was December 1st of 1989.[14] Additionally, the

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[14] The Arbitrator notes that both Parties indicated at hearing that this round of negotiations was particularly difficult and protracted, continuing on for nearly two (2) years before reaching full agreement. This difficulty is reflected by the events surrounding the bargaining of the Insurance clause. According to the testimony proffered by Davlin and corroborated in part by Counsel Spizzo, the Parties agreed to the essential elements of the insurance provisions at a mediated bargaining

(continued...)

Parties entered into the following understanding regarding the payment of insurance premiums by retirees:

> [T]hose employees who have retired from employment prior to the date of execution of the labor agreement shall continue to pay insurance premiums at the rate which they have been paying prior to the execution of this agreement and shall not be affected by any premium rate increases for bargaining unit employees set forth in Article 29 (see Emp. Ev. Vol. IV, Tab 21).

Davlin testified that between October 26, 1990, the date of the mediated bargaining session that dealt with premium payments for dependent health insurance coverage and March 6, 1991, the date the Union signed the Letter of Understanding pertaining to the new Insurance clause, the Union did not meet with the County to negotiate any change in the arrangement regarding the payment of premiums for single coverage health insurance for retirees. Davlin asserted the above-cited language contained in the Letter of Understanding reflected the arrangement the Parties agreed to with respect to dependent health insurance coverage for retirees. Instead of the buyout of $3,500 and $1,000 that applied to active bargaining unit employees to eventually bring them in line with the premium payments for dependent health insurance paid by other County employees, the Union agreed to forego the buyout for retirees in favor of keeping their premium rate for dependent coverage unchanged. In other words, according to Davlin, the then already retired employees (the existing retirees) were not required to pay the otherwise agreed upon higher premium rates that were to be phased in and applicable to the active employees.[15] According

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[14](...continued)
session at the end of October of 1990 and thus averted proceeding to an interest arbitration over the impasse that had developed pertaining to this issue yet, it was not until approximately 4 1/2 months after that session that the Parties reached full agreement on the provisions of the Insurance clause, the new Article 29.

[15] Davlin noted that at the very outset of negotiations for the 1989-92 Agreement, the County presented the Union with a Memorandum prepared by Donald R. Patton, the Sangamon County Auditor dated August 24, 1989 (Un. Ex. 16) that referenced the cost of fringe benefits to both the County and to the employees of the County as well as separating out the bargaining unit employees of the Sheriff's Department for comparison purposes. The Memorandum referenced among other fringe benefits those of Health and Dental Insurance with respect to dependent coverage only. At this time, Sheriff's Deputies paid a monthly premium of $128.48 for dependent coverage whereas other County employees paid $174.50. The difference of the $46.02 between the two applicable premium rates
(continued...)

to the record evidence, there were a total of six (6) existing retirees as of the execution date of the 1989-92 Agreement which occurred sometime in the first half of 1991. These six (6) employees were: Charles Morgan; Enos Hardy; Bill Goviea; Mildred Suppan, more commonly known as Sue Suppan; Eugene Robinson; and Robert Rhodes who retired June 22, 1990 at age 65. Of these six retirees, the only one electing to take dependent coverage, according to the Employer, was Rhodes (Emp. Ev. Vol III, Tab 15).[16] Davlin testified that employees who retired subsequent to the execution date of the 1989-92 Agreement would be subject to paying the monthly premium rate for dependent coverage prevailing at the time of their retirement that was applicable to active employees. The record evidence reflects that subsequent to the execution date of the 1989-92 Agreement, two more bargaining unit members retired from the Sheriff's Department specifically, Jim Campbell who retired at about 53 years of age on September 11, 1992, and Gail Cooper who retired at 50 years of age on November 20, 1992. Neither of these two employees opted to take dependent coverage. According to the record evidence, both employees upon their retirement received at no cost to them, single coverage health insurance or stated another way, health insurance coverage, the premium costs of which were fully paid by the County.

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[15](...continued)
was paid for by the County. In other words, County employees other than the bargaining unit employees in the Sheriff's Department were paying 100% of the premium costs of their dependent health insurance coverage whereas the Sheriff's Deputies were paying approximately 74% of the premium costs and the County was paying the remaining 26% of the costs. The Memorandum also reflected there was a group of employees in each category, that is Sheriff's Deputies and all other County employees, that had been grandfathered with respect to premium rates for dependent health insurance coverage. For the all other County employees category, the monthly premium rate was $145.16 (83%) with the County picking up the remaining cost of $29.33 (17%) whereas the monthly premium rate applicable to the Sheriff's employees category was $104.93 (60%) with the County paying the remaining cost of $69.56 (40%).

[16] The Arbitrator notes that since Rhodes retired prior to the time the Parties reached final agreement on the Insurance clause, the monthly premium rate he pays for dependent coverage was not affected by the changes in the rates effected in the 1989-92 Agreement. The record evidence reflects Rhodes pays a monthly premium of $132.00 for dependent coverage. The Arbitrator further notes that Rhodes' name is spelled two different ways by the Employer with the second spelling being Rhoades. For purposes of consistency in the absence of knowing which spelling is correct, the Arbitrator has used the spelling, Rhodes.

Davlin, in further testimony, acknowledged that the Union assented to the various proposed changes in the Insurance clause, including the alteration of the phrase relating to health insurance for retirees by way of a written Memorandum to the County dated November 1, 1990 (Emp. Ex. 7), faxed to Counsel for the County, James Spizzo, from Union Negotiator, Art Stone. Perusal of this Memorandum reveals that the Union conditioned its final acceptance of the changes to the insurance provisions on the withdrawal by the Employer of a demand that the scheme for longevity adjustment to wages be revised or modified as to any current employee or any new hire. The Union further conditioned its acceptance of the changes in insurance on agreement by the County of additions to the language in Article 29 it proposed. The record evidence reflects that as a result of this Memorandum, the Employer left undisturbed the scheme for longevity adjustments and that except for the Letter of Understanding that was subsequently entered into by the Parties in March of 1991, the Insurance clause, Article 29, had been essentially finalized. Davlin asserted unequivocally, however, that whatever the November 1, 1990 Memorandum from Stone stated, it did not, in any way, affect the agreement arrived at, at the October 26, 1990 mediated bargaining session between the Parties to maintain the benefit of single coverage health insurance for both active employees and retirees, the premium costs of which would continue to be fully paid by the County. Davlin disagreed with Counsel Spizzo that the note he recorded from the October 26, 1990 meeting (Un. Ex. 15) which reads, "Maint. emp. & ret." meant that the status quo would be continued for only those retirees who had already retired. Davlin asserted that if that had been the intent he would have indicated in his notes, "current retirees." By recording just "ret," Davlin maintained he was referencing all retirees not just past retirees and not just future retirees.

In rebuttal to Davlin's testimony regarding the bargaining session of October 26, 1990, Attorney Jim Spizzo testified that this meeting was an off-the-record meeting and that nothing that occurred in this meeting was to be admissible in any subsequent hearing. This fact was noted by Spizzo in his handwritten notes of this meeting (Emp. Ex. 5). Spizzo, in his testimony, referenced a note he recorded which reads, "[R]etirees keep benefits and incumbents keep personal coverage" and asserted this meant the County agreed not to seek an elimination of retirees' health insurance and that incumbent retirees would continue the health insurance program they already had in place. According to Spizzo, at the time the County agreed to this latter position, it was not aware of the "misapplication" of single coverage health insurance for retirees meaning specifically that the County was paying the full premium costs for the retirees. Buecker testified that he too was unaware at the time the Parties were in negotiations for the 1989-92 Agreement that retirees from the Deputies and Dispatcher bargaining units were receiving single coverage health insurance at no cost to them, that the premium costs were being fully paid by the County. Buecker explained that absent this knowledge, the

change effected to the pertinent language pertaining to retiree health insurance was made as part of an overall effort to clean-up the Contract language. Buecker asserted that his understanding of the purpose of the change in language was to clarify the intent which was that employees were to pay premium costs for their insurance when they retired. Buecker maintained that, at the time, the County was unaware of any differences that existed between the Parties regarding this issue.

The record evidence reflects that sometime prior to September 4, 1992, retiree, Sue Suppan, filed a grievance requesting the County for payment of certain medical benefits she believed she was entitled to receive. Counsel Spizzo asserted it was as a result of the investigation of this grievance that the County first became aware it was paying for the full costs of single coverage health insurance premiums for retirees. The record evidence further reflects that in negotiations for the current 1992-95 Agreement, the Employer advanced the following addition in language to Section 1 of Article 29 addressing the subject of retired employees' hospitalization and dental programs in its proposal dated October 19, 1992 which was the date of the first bargaining session:

> *** The intent of this paragraph is, and shall continue to mean that an employee may elect to continue to participate in the hospitalization and dental programs during retirement by paying premiums for single or family coverage at the group rate determined by the County. Moreover, upon reaching the eligibility age for Medicare, retirees shall obtain full coverage under the federal Medicare program or its successor program. Such coverage shall continue to be the primary source of insurance coverage for retirees.[17]

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[17] The Arbitrator notes that at the time this proposal was made there were seven (7) bargaining unit employees in retirement, five (5) of whom were Medicare eligible who had secured Medicare Part B coverage at a cost to them only of $41.10 per month. These five (5) retirees were Charles Morgan, Enos Hardy, Bill Goveia, Sue Suppan, and Robert Rhodes.

The Arbitrator further notes with particular interest that the grievance of Sue Suppan through which the Employer avers it first became aware the County was paying the full premium cost of single coverage health insurance for retirees and it was doing so as a result of a mistake was settled on or about September 4, 1992 (Un. Ex. 7) yet one week later bargaining unit employee, Jim Campbell, retired and the County immediately continued to pay the premium cost of his single coverage health insurance which then had a monthly cost of $164.49. Even more curious, the County advanced the proposal to clarify the intent of the meaning of the retiree

(continued...)

Ted Street, Field Representative and Board of Trustee Member of the Illinois FOP Labor Council, related in his testimony that he participated in the negotiations for the 1992-95 successor Labor Agreement and that his participation began in October of 1992. Street acknowledged that the reason the Employer proposed the above-cited additional language to Section 1 of Article 29 was as a result of the fact the Parties were unable to agree upon the meaning of the preceding sentence, the very same sentence which lies at the heart of this instant dispute, to wit:

> Retired employees shall be provided these same Hospitalization and Dental programs on the same terms and conditions as active employees, and at the active group rates, subject to the provisions of this Article.

Street testified that at the second bargaining session one month later, on November 19, 1995, the Employer advanced a written proposal given to the Union late in the afternoon proposing a series of recommended changes to the County's Health Care Benefit Plan (Un. Ex. 9). Street noted that on the second page of this proposal, there was a reference to retirees which stated under the column titled "Current," meaning the status quo, a description stating, "Misapplication of Contract" and under the adjoining column of "Recommend," the phrase, "Revisions as Proposed." Street related he understood this part of the proposal to mean that the Employer was seeking the additional language cited hereinabove to Section 1 of Article 29 that had been proposed at the first bargaining session and that the County was now offering a reason as to why it was seeking the change which was that the longstanding benefit of single coverage health insurance at no cost to retirees had, in the County's view constituted a misapplication of the Parties' Labor Agreement. Street asserted that the Union did not agree with the Employer's view that this retiree benefit had existed as a result of the County's misapplication of the Contract. In fact, a perusal of the final provisions of Section 1 of Article 29 of the current 1992-95 Labor Agreement (Emp. Ev. Vol. V, Tab. 21 and Un. Ex. 10) reflects that the Union did not agree to the proposed additional language and that with respect to hospitalization and dental programs for retirees, the language from

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[17](...continued)
insurance benefit by adding this additional language and that this proposal was tendered on October 19, 1992, yet the record evidence reflects that bargaining unit employee, Gail Cooper, resigned one (1) month later on date of November 20, 1992 and that upon her retirement the County continued to pay the full premium cost of her single coverage health insurance.

the predecessor 1989-92 Labor Agreement was retained by the Parties and it remained unchanged.[18]

The record evidence reflects that the Parties further agreed in their negotiations for the 1992-95 Agreement to retain verbatim language in Section 1 of Article 29 regarding the initiation of "impact bargaining" over unilateral changes in hospitalization and dental program benefits effected by the Employer. The language reads as follows:

> If the Employer decides that such changes in benefits should occur, then both parties agree to enter into impact bargaining, in good faith, in an attempt to reach a mutual agreement on the proposed changes. The Employer shall have the right, after proper notification has been provided the Lodge, to implement those changes specified in the notice prior to any final resolution of the proposed changes.
>
> If such post-implementation bargaining over the impact or effects of hospitalization or dental program benefit reductions or modifications results in an agreement requiring modification of the collective bargaining agreement, the parties agree to reduce such agreement to writing and execute it promptly. If the impact bargaining does not result in an agreement within a reasonable time, the parties agree the Lodge may refer the matter to interest arbitration, and that any arbitrator or arbitration panel's award shall not be effective prior to the commencement of the next fiscal year after the reductions or modifications were implemented by the Employer.
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> (Un. Ex. 10)

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[18] The Arbitrator notes that as testified to by Street and as reflected by additions in language to Section 1 of Article 29, the Parties, did, in fact, agree to certain changes to the health care plan that were initially advanced in the Employer's November 19, 1992 proposal (Un. Ex. 9). Those changes were:

- A co-payment by employees of twenty dollars ($20.00) for office visits to treating physicians and chiropractors.
- A co-payment by employees of fifty dollars ($50.00) for hospital emergency room visits.
- Implementation of the Employer's prescription program known as Kepp Kard.
- A twelve (12) month period for pre-existing conditions.

Street testified that pursuant to the terms of this provision, the Union submitted a written formal Notice of Demand to Bargain over the issue of health/medical insurance on behalf of affected FOP Lodge 55 bargaining unit members. This Notice of Demand was submitted by letter dated May 25, 1993 (Un. Ex. 11) from Steve Rousey, Illinois FOP Labor Council Case Review Manager, directed to Sheriff William DeMarco and Larry Bomke, Chairman of the Sangamon County Board. Street explained the Demand to Bargain was prompted by mid-term changes to the health plan unilaterally effected by the Employer, specifically a move to institute a Preferred Provider Option (PPO).[19] The record evidence reflects that in accordance with the provision of Article 29 that provided for reopening negotiations on issues of insurance for Fiscal Year 1994, the second year of the 1992-95 Agreement, the Union, by letter dated

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[19] Prior to the time this Demand to Bargain was initiated, the County had instituted a self-funded health plan that became effective February 1, 1992 as a measure to reduce health care costs. The move to a PPO scheme for delivery of medical services was yet another measure to achieve further reduction in health care costs as testified to by Street.

Financial data proffered by the Employer reveals that for the five (5) years preceding the changeover to a self-funded plan, the County experienced the following increases in net cost of its group health insurance which had been administered by the carrier, Blue Cross/Blue Shield.

FISCAL YEAR *	DOLLAR COST	ANNUAL PERCENT INCREASE
1987	$ 463,721	
1988	486,448	4.90
1989	695,971	43.07
1990	879,247	26.33
1991	1,084,631	23.36

* Fiscal year begins December 1 and ends November 30.

According to these figures, over this five (5) year period, the County experienced a 234 percent increase in the net cost of its group health insurance. The same financial data shows that for the nearly first full fiscal year, the County switched to a self-funded plan, Fiscal Year 1992, the net cost [a combination of two (2) months under Blue Cross/Blue Shield and ten (10) months self funded] amounted to $1,017,902, a decrease in net cost over Fiscal Year 1991 of $66,729.00 or an approximate 6.2 percent reduction. However, in Fiscal Year 1993, the County's net cost, in effect doubled amounting to $2,027,320.00 no doubt prompting the County to institute changes such as moving to a PPO scheme to effect cost reductions (Emp. Ev. Vol III, Tab 8).

August 3, 1993 pursuant to Article 33 - Duration, Section 1 - Terms of Agreement, served Formal Notice of Demand to Bargain (Un. Ex. 12).[20] According to Street, the impact bargaining and the reopener bargaining blended together and that ultimately the Union accepted the PPO plan. According to the record testimony, the Parties continued to be at impasse concerning the insurance benefit for retirees. The record evidence reflects that while bargaining was continuing, the County distributed to each employee a detailed listing of the insurance plan changes that were to become effective December 1, 1993 (Un. Ex. 13). This document presented each employee with the option of selecting one of two plans, each plan being distinguished by a difference in the level of deductibles required to be paid as well as differences in out-of-pocket expenses incurred and the level of employee contributions. Street testified the Union received its copy of the two plans at the end of the day on November 10, 1993. According to the document itself, the County was requesting each employee to make an election regarding their choice of either Plan 1 or Plan 2 and to return the form to the Auditor's office by the close of the business day (5:00 p.m.) on Friday, November 12, 1993. Street related in his testimony there was no reference to any insurance benefits applicable to retirees. The record evidence further reflects that the Parties continued their bargaining relative to the insurance reopener following implementation of the changes made to the County's health plan which became effective as of December 1, 1993, the start of Fiscal Year 1994. On date of December 16, 1993, Counsel Spizzo sent to Field Representative Street a proposal regarding the two subjects of bargaining under the reopener, to

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[20] Section 1 of Article 33 reads in pertinent part as follows:

> ***. The parties agree that Article 25 (Wage Rates) and Article 29 (Insurance) shall be reopened the second and third years of this Agreement for the purposes of negotiating successor Agreements for these Articles.

According to Street, the Parties agreed to the two (2) reopeners as a way of bypassing the impasse between them regarding the additional language proposed by the Employer to the Insurance Article in its October 19, 1992 proposal (Un. Ex. 8). Street recalled that following ratification and implementation of the 1992-95 successor Agreement, Counsel Spizzo informally put him on notice that the County was going to re-visit the issue of the clarifying language as a means of resolving the dispute which existed between the Parties regarding the interpretation of the language pertaining to insurance for retirees.

wit: health insurance and squad cars.[21] With respect to the health insurance issue, the County made the following proposal:

- To reinstate the language addressing mid-term impact bargaining
- To grandfather insurance benefits for current retirees as well as for bargaining unit members retiring on or before June 1, 1994.

The record evidence reflects that subsequent to receipt of this proposal, the Local Union membership rejected the proposal. That rejection prompted the Employer to tender to the Union a revised offer for its consideration. With respect to insurance for retirees, this proposal submitted by letter dated January 21, 1994 from Counsel Spizzo to both Ted Street and Ted Buecker read as follows:

> 2. Retirees
>
> Former employees who have retired on or before January 1, 1994, and any employee who was on the bargaining unit payroll as of January 1, 1994 and who retires on or before June 1, 1994, shall be provided coverage under the current County-sponsored Hospitalization Program and Dental Program, under the same cost-sharing arrangement in effect for retirees prior to January 1, 1994. Any bargaining unit member retiring after June 1, 1994 may elect to continue their hospitalization and dental program benefits in effect at that time at their expense and at rates established from time to time by the County.

(Un. Ex. 14)

Street testified that the whole of the insurance Article including the retiree language cited above constituted a tentative agreement between the Parties and that while the Union membership ratified the Insurance Article, it did so with the exception of the provisions pertaining to retiree insurance cited above.[22]

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[21] The Arbitrator notes the subject of squad cars which pertained to their use by officers during off-duty hours became a topic of bargaining under the wage reopener as such use presented possible tax consequences.

[22] Street acknowledged the tentative agreement that was ratified by the Union membership with the exception of retiree insurance also included the component constituting the wage reopener.

In other testimony, Street related that of the counties identified in these arbitral proceedings as comparable, he is aware that the three (3) communities of Rock Island, Tazewell, and Peoria provide for some form of insurance benefits for retirees. According to Street, the following benefits exist:

- Rock Island County

  The County pays the premium for single coverage health insurance at the active rate for retirees at age 60, who have attained at least 12 years of service and have participated in the insurance plan for 12 years and for retirees over age 55 who have credited service of 35 years and 12 years of participation in the plan.[23]

- Tazewell County

  For employees that retired prior to December 1, 1993, the County pays the full premium cost for single coverage health insurance and for employees who retire after December 1, 1993, the County pays for half the premium cost of single coverage health insurance.

- Peoria County

  For employees that retired prior to December 1, 1993, the County pays 80 percent of the premium cost for single coverage health insurance and 50 percent of the premium cost for dependent coverage health insurance.

Street also testified having knowledge of retiree insurance benefits for former State of Illinois employees at least with

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[23] In its post-hearing brief (pp. 39-40), the Employer cites a discrepancy between Street's testimony regarding this retiree benefit and information that was submitted by the Rock Island County Auditor's Office (Emp. Ev. Vol. III, Tab 19, p. 11). According to the latter, all Rock Island County employees including Deputies who retire at age 60 or over and have twelve (12) years participation in the plan pay a premium rate of nineteen dollars ($19.00) per month for single coverage health insurance and $77.02 per month for dependent coverage. For other retirees who do not meet these prerequisite requirements, the premium rate for continued single coverage health insurance is $116.70 per month and $350.06 per month for dependent coverage. Thus, for the relevant time period affecting the instant case, for those employees including Deputies who meet the prerequisite requirements of age and participation, Rock Island County pays approximately 84 percent of the premium cost for single coverage health insurance and not 100 percent as testified to by Street and 78 percent of the premium cost of dependent coverage.

respect to those who worked in the Attorney General's office and the Secretary of State's office, noting his knowledge comes from having bargained for employees in FOP bargaining units in those two offices.[24] According to Street, State of Illinois employees who have attained the age of 55 and 20 years of full-time credited service, receive singly coverage health insurance, the premium costs of which are fully paid for by the State. Street conceded in his testimony that he had no knowledge as to whether other State employees who retire receive the benefit of free single coverage health insurance, that is, health insurance at no cost to the retiree.

As a result of the Union's rejection of that part of Article 29 proposed by the Employer in January of 1994 dealing with retirees, this impasse issue comes now before this Arbitrator for a final and binding decision within the grant of statutory authority to select one or the other of the Party's last best final offer.

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[24] The Arbitrator notes the Employer objected to any testimony regarding State of Illinois employees on grounds that it did not agree that said employees constituted a comparable community to Sangamon County. Street testified that there are approximately twenty thousand (20,000) persons residing in Sangamon County that are State of Illinois employees noting the State is the largest employer in the County. Street clarified in his testimony that he has only represented a portion of these 20,000 employees, limited to the number of bargaining unit employees represented by FOP employed in the two offices, the Attorney General's office and the Secretary of State's office. The Arbitrator overruled the County's objection of disallowing Street's testimony regarding State of Illinois benefits for the selected group of retirees he has knowledge of and granting the County leave to argue the irrelevancy and immateriality of Street's testimony on this comparison in its brief.

VI. FINAL OFFERS

EMPLOYER'S FINAL OFFER

A. RETIREE HEALTH INSURANCE

Former employees who have retired on or before January 1, 1994, and any employee who was on the bargaining unit payroll as of January 1, 1994 and who retires on or before June 1, 1995 shall be provided coverage under the current County-sponsored Hospitalization Program and Dental Program, under the same cost-sharing arrangement in effect for retirees prior to January 1, 1994. Any bargaining unit member retiring after June 1, 1995 may elect to continue group hospitalization and dental program benefits at their expense and at the active group rates.

B. DENTAL INSURANCE

Employees electing dental insurance coverage shall pay for such coverage at the active group rates set for all County participants.

The Employer submits its offer is equitable as it grandfathers in all current retirees for health insurance and provides a window of opportunity to employees about to retire, who may legitimately have an expectation of continued free single coverage. Thus, asserts the Employer, employees eligible to retire and who do so prior to June 1, 1995 will receive free personal health insurance coverage and for employees retiring thereafter, the cost of continued participation in the County's group health insurance program will be less expensive since the premium cost will be at the active group rate. Finally, the dental premiums applicable to retirees are set uniformly at the active group rates.

The Employer submits, based upon the facts, arguments and authorities cited that the Arbitrator should adopt its final offer.

UNION'S FINAL OFFER

A. RETIREE HEALTH INSURANCE
(Deputy Bargaining Unit/Dispatcher Bargaining Unit)

1. Retirees will pay cost of Medicare "B."

2. Years of Service Requirement changed from fifteen (15) to twenty (20) years.

3. Sixteen (16) employees currently at fifteen (15) or more years of service are not subject to point 2 above; current retirees and individuals retired before 8-1-94 are not subject to any of the modifications stated in any paragraph of this summary; health insurance benefits and coverage for current retirees and individuals retired prior to 8-1-94 shall be substantially the same and at least equal to those presently provided; insurance program costs for current retirees and individuals retired before 8-1-94 shall not exceed those levels existing on June 1, 1994.

4. With respect to any officer who retires after 8-1-94 who becomes gainfully employed and obtains any other health insurance coverage in connection with said employment, such retired officer shall submit to the Auditor's Officer each year a signed statement verifying the existence of such other health insurance; such annual verification shall be on a form mailed to the retiree by the Auditor and shall require the retiree to check one of two boxes indicating that he does or does not have such other health insurance.

5. During any period of such other health insurance coverage, the insurance provided by County shall remain in force for the retiree; however, the insurance provided through employment shall be primary in connection with coordination of benefits, and the County insurance shall be secondary.

6. Following cessation of such other gainful employment, a retiree who has had other primary health insurance coverage may opt to return to County health insurance plan without exclusion or exception of coverage for any pre-existing condition.

B. DENTAL INSURANCE
(Deputy Bargaining Unit/Dispatcher Bargaining Unit)

That all members of the bargaining unit pay the standard rate of $9.03 per pay period for dependent dental insurance.

VII. OPINION

Ordinarily, this Arbitrator would set forth a brief synopsis of each Party's position on the issue(s) at impasse but because the initial post-hearing briefs in this matter were quite lengthy on both sides, the Arbitrator has opted instead to incorporate and address the major arguments simultaneously in this Opinion section.

As noted in Section III, page 9 of this Award, the Arbitrator is guided by seven (7) defined factors and one undefined, open-ended factor in selecting which of the two final offers on each impasse item or items will prevail. As it happens, the very nature of the impasse that exists here between the Parties, elevates the eighth factor which is inclusive of all other factors normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment, as the most important among the factors so delineated. Specifically, the factor of bargaining history is deemed by the Arbitrator to be critical in the resolution of this subject impasse notwithstanding the Employer's objection to the contrary. Given the fact that the Union maintains the meaning of the language in dispute pertaining to insurance benefits for retirees is dependent on its historical origins whereas, the Employer contends that because the language is not ambiguous it must be construed on the basis of its plain and ordinary meaning, the Arbitrator is left no choice but to plumb the historical record to either verify or reject the Union's contention on this point. It is obvious that if the record evidence supports the Union's view then the Employer's position that the disputed language must be interpreted on the basis of its plain and ordinary meaning cannot prevail. On the other hand, the converse also applies, that is, if the record evidence fails to lend support to the Union's contention then it must be decided whether or not the Employer's view that the disputed language is unambiguous is correct and, if that is the case, whether the language supports the Employer's position that what the Parties intended by the language in question was that retirees are eligible to continue their single coverage health insurance benefit but, if they make that choice they have to pay the full premium cost of the coverage. Although the Employer maintained that nothing in the Parties' bargaining history going back further than the negotiations for the 1989-92 Agreement is relevant for the purpose of the Arbitrator's determination on the issue in dispute, the Arbitrator disagrees noting that even the Employer, for purposes of its own exploration of the instant dispute delved into information going back to the Parties' negotiations for the 1984-86 Labor Agreement, its second contract. In support of this latter point, the Arbitrator cites the following testimony rendered by Counsel, Jim Spizzo at the hearing held August 29, 1994.

> We checked most recently the County Board Minutes going back to 1984, because the Union has pointed to that year in our negotiations as a watershed year that they achieved this benefit in perpetuity, and there is nothing in the Minutes of the County Board, and there is nothing in the recollections, in the memory of Mr. Buecker who was part of the collective bargaining process in 1984 for the County that establishes what the Union claims.
>
> (Tr. Vol. 1, p. 146)

While Spizzo may have accurately assessed the outcome of this initial exploration including his inquiry of Ted Buecker, the testimony rendered in these arbitral proceedings by Dan Petrilli, former Sangamon County Board Member and Chairman of the County's Collective Bargaining Committee for the 1984-86 Labor Agreement indicates the initial inquiry was lacking. Petrilli, deemed by the Arbitrator to be a highly credible witness testified without contravention that Buecker, while on the County Board in 1984 did not serve as a Member on the County's Collective Bargaining Committee during negotiations that resulted in the 1984-86 Agreement. Petrilli recalled the other members on the County's Collective Bargaining Committee beside himself were Jim Moody and Frank McNeil. Buecker himself testified he has been a Member of the County Board since 1982 but that it was not until 1987 or 1988 that he assumed the position of Chairman of the County's Collective Bargaining Committee. Buecker also acknowledged that at no time prior to Petrilli's departure from the Board in November of 1988 did he ever engage in any discussion with Petrilli regarding retirees' health insurance benefits. In steadfast and unwavering testimony, Petrilli asserted that in negotiating the language on insurance benefits for retirees it was the intent of the County to provide single coverage health insurance to retirees on the identical basis it provided this benefit to active employees in the Department and that the main purpose for doing so was to provide an incentive for officers to remain in the employ of the Sheriff's Department. Petrilli expounded further that if active employees were receiving single coverage health insurance at no cost to them, that is, the County was paying the full cost of the premium, then retirees were to receive this same benefit on the same terms. Petrilli stated forthrightly that the Parties, in negotiations, "messed" around with the language to get the wording, just so, so that the benefit provided did not lock the County into a dollar amount. Petrilli further explained unequivocally that the pertinent language included in the 1984-86 Agreement was also intended to mean that if conditions were such at a future point in time that active employees were required to pay for some part or all of the premium costs computed at the active group rates for single overage health insurance, then retirees would also be required to pay the same amount. Petrilli also explained that in referencing "active group rate," the Parties intended to protect

retirees from having to pay a greater premium charge for single coverage health insurance if, at some future time, active employees were required to pay a part or all of the premium costs associated with the purchase of single coverage health insurance, recognizing that insurance carriers often charge a retired group of persons who are older a higher group rate. Petrilli also detailed the process by which the County Board considered the bargains that were exchanged and agreed to by the Bargaining Committee noting that the Board did so in closed executive session and therefore those proceedings would not have found their way into the public record. The Arbitrator finds this testimony as providing a reasonable and plausible explanation of the reason why Counsel Spizzo and Buecker could not find anywhere in the minutes of the County Board reference to this specific benefit of single coverage health insurance for retirees. Additionally, Petrilli explained that reference to an agreement on a specific economic item would not have been distinguished by the whole County Board because the Board had under review the overall economic package which consisted of four (4) items including health and dental insurance for retirees.

As noted in the preceding Background Section but repeated here for the sake of this analysis, the disputed language underwent the following modifications:

> 1984-86 Agreement
>
> Retired employees shall be provided this same Hospitalization and Dental Program for the same cost, and on the same terms and conditions as active employees, and at the active group rate.
>
> 1989-92 Agreement
>
> Retired employees shall be provided these same Hospitalization and Dental Programs on the same terms and conditions as active employees, and at the active group rates, subject to the provisions of this Article.
>
> 1992-95 Agreement
>
> Retired employees shall be provided these same Hospitalization and Dental Programs on the same terms and conditions as active employees, and at the active group rates, subject to the provisions of this Article.

As it can be noted, the disputed language underwent essentially one pertinent change from the initial language of the 1984-86 Agreement testified to by Petrilli and that was the removal of the phrase, "for the same cost." Except for that one change and the addition

of the qualifying phrase at the end of the sentence, "subject to the provisions of this Article" which has no relevance to these proceedings, the sentence has remained the same and the record evidence clearly shows that from the time the subject sentence was incorporated into the Insurance Clause and after it was slightly modified, deputies who retired received the benefit of single coverage health insurance at no cost to them, which was the exact same benefit they received while they were active employees. To this day, the language remains the same as it was in the 1989-92 Agreement when the modification was made and to this day, any deputy who has retired since the 1992-95 Agreement became effective has received single coverage health insurance at no cost to them. Notwithstanding the County's assertion it has attempted to correct what it characterizes as a benefit borne from a mistake which in effect it claims makes it a non-contractual gratuity subject to immediate termination, it nevertheless has continued the benefit by paying the full premium costs for the six (6) retirees who were already receiving the benefit prior to the County's so-called discovery of the "mistake" and for the two (2) employees who retired after the "mistake" was discovered.

The Employer asserts that the disputed language now contained in the Insurance Clause of the 1992-95 Agreement is clear and unambiguous and therefore it is susceptible to being construed in only one way and, that is, that all words, phrases and clauses must be given effect and not rendered meaningless. The Employer contends that the language in question serves two purposes, to wit: (1) it sets forth the scope of the coverage to be provided to retirees and, (2) it sets forth the cost to be charged for providing the coverage, specifically, the active group rates. The Employer contends that the benefit provided retirees is two-fold. First, it allows a retired employee the option of continuing to receive single coverage health insurance. Second, it allows the retiree to secure such insurance at a group rate that is lower in cost than what it would be if the retiree either had to pay for the insurance at a group rate applicable to retirees only or at the COBRA rate. The Employer argues that the phrase, "active group rates" can only be defined as the full premium amount set for insurance coverage provided to members of the active employee group and does not serve to mean the same as the phrase, "at no cost" which would have to be included in the disputed language to provide the benefit the Union contends is provided retirees by the language in question. Ironically, the Employer submits this clear meaning must be enforced because "parties to a contract are charged with full knowledge of its provisions and of the significance of its language." The Arbitrator says, "ironically" because in light of the very persuasive testimony proffered by Petrilli, it is the County that has exhibited a contractual amnesia regarding the historical significance of the disputed language. As inarticulately as the original sentence may have been drafted and as redundant as that sentence appears on its surface, nevertheless, Petrilli's uncontravened testimony gave meaning to each phrase of

the sentence as already discussed elsewhere above. Petrilli's explanation regarding the phrase, "at the group rate" with rate not being plural as originally written was meant to protect retirees against paying a group rate that was higher if, and only if, active employees were required at some future point in time to pay some portion or all of the premium costs for single coverage health insurance. The phrase, "for the same costs" might appear to be redundant but according to Petrilli, it was included in the language to protect the County against getting locked into paying a set dollar amount. Thus, the Arbitrator views removal of this phrase from the language in question as having a greater impact on the County than on the Union or the retirees.

The fact that the language under review was modified and, according to Counsel Spizzo, modified for the sake of clarification did not serve to wipe out the historical meaning of the language. This latter point is underscored by the fact that, at the time, Counsel Spizzo was newly representing the County in negotiations and so was completely unaware of the historical significance of the now disputed language. It is clear from his testimony and what appears in the County's post-hearing brief that Spizzo believed that the phrases "for the same cost" and "at the active group rate" was purely a redundancy and that greater clarification could be achieved through excising the phrase "for the same cost" which was ultimately achieved. However, the removal of this phrase even in retrospect of Spizzo's learning the County was providing single coverage health insurance to retirees at no cost to retirees does not support the County's position that by agreeing to this change, the Union traded this retiree benefit for other benefits gained in the negotiations for the 1989-92 Agreement. In that Buecker too was unaware of the insurance benefit being provided by the County to the retirees at this time is not perceived by the Arbitrator as having the effect of either disputing or diminishing Petrilli's testimony since Petrilli's explanation as to how negotiations were reviewed by County Board members in 1984 makes it perfectly plausible as to how this benefit could have escaped Buecker's attention as Buecker was not then even a member of the County's Bargaining Committee. There is no question that the County's arguments with respect to the principles of contract interpretation are perfectly sound and valid and that had they been advanced in the absence of the historical meaning as provided here by Petrilli, the County's construction as to the meaning of the disputed language would have prevailed. But given the uncontravened testimony by Petrilli as to not only the meaning of the language but also the County's intent at the time it negotiated the language, all of the arguments asserted by the County in support of its central thesis that the benefit of "free" single coverage health insurance conferred on retirees by the County was done so as a result of error must fall like the proverbial house of cards.

The County is correct in its observation that with respect to the changes that were agreed upon in the insurance provision pertaining

to retirees in negotiations for the 1989-92 Agreement, there was no meeting of the minds of the Parties, but this is only the case because the County, not the Union, lacked the full knowledge of the provision and the significance of its meaning. The Arbitrator is persuaded therefore, based on the foregoing analysis, that the County truly believed it had simply "cleaned-up" the contract language in dispute by removing a perceived redundancy and the Union did not give a second thought that it was in any way giving up a long-established benefit as a result of the agreed upon modification in the language. Each Party had its own view as to what the language meant and intended during the negotiations for the 1989-92 Agreement but only the Union's view was legitimate predicated on the historical record as supported by the evidentiary record produced in these arbitral proceedings. Thus, the contention by the Employer that the language it proposed to simply further clarify the Insurance Clause provision pertaining to retirees meant that the retiree and not the County was the party responsible for paying the full premium cost of single coverage health insurance must be rejected. In this context, the Employer's proposal to clarify was not a clarification at all but rather an attempt by the Employer albeit an unconscious attempt, to institute an elemental change in the existing arrangements that had been in effect for approximately a decade. The argument advanced by the Employer as to a past practice existing in contradiction of clear and unambiguous contract language is hereby dismissed in its entirety by the Arbitrator because the entire argument is predicated on a false premise. The practice of the County paying the full premium cost of the retiree's single coverage health insurance was not the product of a mistake on the County's part but rather as a result of a negotiated benefit that was mutually agreed to by the Parties in their negotiations for the 1984-86 Agreement.

Based on the foregoing findings, it is the County that seeks to change the status quo, not the Union, and therefore it is incumbent upon the County to demonstrate the need to institute the change. The Arbitrator has reviewed the massive amount of economic data submitted by the County as well as the pertinent financial information concerning the County's budget and the interpretations of this information offered by both sides and, additionally, the relevant internal and external comparisons, all critical to the final determination that has to be made by the Arbitrator. None of these considerations alone or taken together are sufficiently persuasive to cause the Arbitrator to rule in favor of a sea change. While the Arbitrator recognizes the health insurance benefit conferred on retirees in the bargaining unit is a costly one and will continue to become costlier simply as a result of an increasing number of employees entering the ranks of the retired in subsequent years, not to mention any increases in the number and per capita dollar amounts of claims filed per retiree and increases in the premium cost of the stop-loss policy, nevertheless, as was noted by Petrilli, the benefit in question was not only beneficial to the employees but was also beneficial to the County in that the

benefit served to stabilize the workforce of the Department. Thus, what the Department has had to pay for this benefit over past years, it has also saved in training costs and it is this tradeoff that will continue to balance out the equities on both sides. While the County submits that retention of deputies has been the result of a system that pyramids longevity adjustments to wages, the Arbitrator is reminded that this system was inaugurated at the same time the retiree insurance benefit was granted. As Petrilli observed in his testimony, the economic items negotiated in the 1984-86 Agreement were negotiated as a package and that one of the objectives in doing so was to offer incentives to stanch the turnover in deputies. Petrilli, the Arbitrator notes, referenced incentives meaning more than one and in this case there were two that served to achieve the objective sought specifically, single coverage health insurance for retirees on the same terms and conditions that benefit was granted active employees and the pyramiding of longevity adjustments to wages. Given a relatively youthful department, the latter benefit serves the interests of stabilizing the workforce in the beginning years and the former benefit kicks in as an incentive in the later years. In any event, in a retrospective review of the last ten (10) years, the incentives appear to have accomplished what they set out to accomplish. These two benefits working in tandem are an example of the maxim, "you get what you pay for." While the Department has indeed paid and will continue to do so perhaps quite substantially in the future, returns have also been reaped by the Department in the form of an experienced high quality workforce. Although the economic data shows the County experiencing a declining cash reserve position as of the last few years and a tendency to run deficits in its budgets, nevertheless in the absence of a plea by the County of an inability to pay and the recognition that the County has the flexibility in its decision-making to institute off-setting changes to future insurance costs applicable to retirees, the Arbitrator is without justification to support the Employer's position.

As to the internal comparison argument advanced by the Employer that no other County employees receive this benefit, the Arbitrator notes there is diversity among benefits received by employees represented by various unions and labor organizations and given the uniqueness of their utility to the employing entity there is little or no support for a rationale that urges uniformity of all benefits amongst different classes of employees. The uniqueness of the utility of the deputies to the Sheriff's Department and the County is well demonstrated by the entire preceding discussion as to why the benefit of single coverage health insurance was granted to the retirees in the first instance and that was the overriding importance to achieve a stable workforce within the Department. As there obviously was not the same need in other departments of the County, this benefit was not either offered or bestowed on other County employees. Thus, there is nothing inherently unfair, wrong or otherwise peculiar in maintaining different benefits for

different employees recognizing that, in most things, one size does not fit all. What suits the needs of one set of employees does not suit the needs of another employee group. If it did, there indeed would be justification for moving toward the Eugene Debs' dream of one big union. While a number of unions have vanished and others have merged, there will always exist a diversity of interests and needs among various groups of employees, thus rendering the concept of one big union untenable. Suffice it to say there was a need to stabilize the Sheriff Department workforce and that the County agreed with the Union this could be achieved by providing the deputies with continued single coverage health insurance upon their retirement on the same terms and conditions they received the benefit while they were working. If this benefit is no longer needed to serve that need and the needs of the County have changed, then it is incumbent upon the County to seek the required changes but not on the basis of claiming the benefit bestowed was borne of mistake.

As to the external comparisons with the Employer noting that no other comparable county provides single coverage health insurance for deputies, the premiums of which are one hundred percent paid by the County, the Arbitrator notes that the benefit exists in some lesser form in three (3) other counties and therefore, while not prevalent, neither is it unique nor uncommon. Without really knowing anything about the origin of these benefits in these three other counties or the reasons why the benefit does not exist in the remaining five (5) comparable counties, the Arbitrator is at a loss to attach great weight to this factor. But even assuming said information was available it would be of little or no persuasive force as the Employer here was the trend-setter among comparable counties in establishing this particular benefit as it perceived it was in its best interest to do so. To now employ the argument this benefit is unique and should not be continued is seen by the Arbitrator in light of the historical record as disingenuous.

Based on the foregoing analysis, the Arbitrator rules to select the Union's final offer.

A W A R D

The Arbitrator selects the Union's final offer and accordingly orders that this offer be implemented as soon as practicably possible.

The Arbitrator retains jurisdiction for the sole purpose of resolving any matters that may arise from the implementation of this Award. Said jurisdiction shall cease upon satisfactory implementation.

UNION OFFER AFFIRMED

GEORGE EDWARD LARNEY
Sole Interest Arbitrator

Chicago, Illinois
May 22, 1995