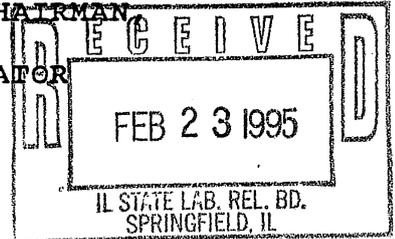


INTEREST ARBITRATION BEFORE  
ELLIOTT H. GOLDSTEIN, NEUTRAL ARBITRATOR AND CHAIRMAN  
JAMES BAIRD, CITY-APPOINTED ARBITRATOR  
ROBERT S. SUGARMAN, UNION-APPOINTED ARBITRATOR



CITY OF HIGHLAND PARK )  
("Employer") )  
 )  
and )  
 )  
HIGHLAND PARK FIRE FIGHTERS )  
ASSOCIATION, LOCAL 822, )  
INTERNATIONAL ASSOCIATION OF )  
FIRE FIGHTERS )  
("Union") )  
 )  
Arb. No. 94/063 )

ISLRB Case No. S-MA-94-227

OPINION AND AWARD

APPEARANCES:

On Behalf of the Union:

Robert S. Sugarman, Attorney for Union  
Jacobs Burns Sugarman Orlove & Stanton

On Behalf of the Employer:

James Baird, Attorney for Employer  
Seyfarth, Shaw, Fairweather & Geraldson

## I. INTRODUCTION

This proceeding arises under Section 14 of the Illinois Public Labor Relations Act (IPLRA) to resolve a wage-reopener bargaining impasse between the parties. The undersigned Arbitrators were duly appointed to serve as a tri-partite panel with the jurisdiction to hear and decide the issues presented to them. A hearing was held on August 11, 1994 at the Highland Park City Hall, 1707 St. Johns Avenue, Highland Park, Illinois, at 10:00 a.m., the parties having waived the requirement of Section 1230.40(e)(4) of the Illinois state Labor Relations Board that the hearing begin within fifteen (15) days of the appointment of the neutral Arbitrator. At the hearing the parties were afforded full opportunity to present such evidence and argument as desired, including an examination and cross-examination of witnesses. A 142-page stenographic transcript of the hearing was made. Both parties filed post-hearing briefs, the second of which (the City's) was received on October 10, 1994. The parties stipulated that the panel shall base its findings and decision upon the criteria set forth in Section 14(h) of the Illinois Public Labor Relations Act and rules and regulations promulgated thereunder.

## II. THE ISSUES

The parties' 1992-1996 collective bargaining agreement ("the Agreement") provides, in Article XVIII, "Salaries and Other Compensation," Section 18.1, "Salaries," for a wage reopener to be effective May 1, 1993, and states:

In the event that wage reopener items cannot be resolved in negotiations, it is agreed that such shall be subject to the impasse resolution procedures, including interest arbitration, as set forth in the Illinois Public Labor Relations Act.

The sole issue presented is which party's wage offer for the May 1, 1993 reopener shall be adopted, utilizing the statutory criteria of the IPLRA.

### III. THE PARTIES' FINAL OFFERS

The Union's final offer is for a 4 percent increase for the bargaining unit, effective May 1, 1993, plus an additional increase of \$1400 to the base salary for Fire Fighter/EMT II's.<sup>1</sup> The City's final offer is the May 1, 1993, salary increase of 4 percent for

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<sup>1</sup>The Union proposes that Section 18.1(b) be amended to read as follows:

Effective May 1, 1993, all base salaries shall be increased by four percent (4%), after which an additional increase shall be made to the base salaries of Fire Fighter EMT II effective May 1, 1993, in the amount of \$1400. These increases shall be reflected in the salary schedule attached hereto and made a part hereof as Appendix B, and employees shall be paid pursuant to said schedule. The increases specified will be retroactive for all employees on the payroll at any time since May 1, 1993, who are still on the payroll on the effective date of this Agreement, and retroactivity will apply to straight time hours and overtime hours paid during any bi-weekly pay period. It is understood that these increases and agreement on the wage rates resulting from these increases shall not be considered a precedent for purposes of resolving future collective bargaining negotiations between the parties, to any City claim that the increases granted hereunder are sufficient or greater than they should be, or to a Union claim that the increases granted hereunder are insufficient.

all employees in the bargaining unit, but without the separate increase for Firefighter/EMT II's.<sup>2</sup>

Both offers specify that the increases will be retroactive for all employees on the payroll at any time since May 1, 1993, who are still on the payroll on the effective date of this Award, and that retroactivity will apply to straight time and overtime hours paid during the reopener period.<sup>3</sup>

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<sup>2</sup>The City would amend Section 18.1 as follows:

Effective May 1, 1993, all base salaries shall be increased by four percent (4%), as reflected in the salary schedule attached hereto and made a part hereof as Appendix B, and employees shall be paid pursuant to said schedule. The increase specified will be retroactive for all employees on the payroll at any time since May 1, 1993, who are still on the payroll on the effective date of this Agreement, and retroactivity will apply to straight time hours and overtime hours paid during any bi-weekly pay period.

<sup>3</sup>The parties apparently are also in agreement with respect to modifying the Agreement's longevity pay provision, Section 18.2, to add, effective May 1, 1993, the following to the schedule:

Upon completion of 25 years--5% of annual salary  
Upon completion of 30 years--7% of annual salary  
Upon completion of 35 years--9% of annual salary

The City states, however, that it makes no formal final offer on longevity because Section 18.2 is not properly before the Arbitration Panel as part of the wage reopener, and that its agreement to modify Section 18.2 effective May 1, 1993 is a matter of permissive bargaining, asserting: "The City as a permissive matter commits to implement its offer on longevity pay, as stated above, if the Arbitrator selects the City's [final offer of a 4% wage increase]." Because the panel does adopt the City's final offer, it is unnecessary to address the City's assertion, contested by the Union, that the longevity schedule change is outside the panel's jurisdiction.

#### IV. DISCUSSION AND FINDINGS

##### A. Background

The City of Highland Park, a North Shore suburb of Chicago, has a population of 30,575. The average annual income is \$101,597 and the average home value is \$358,837.<sup>4</sup> The 1993 EAV per capita was \$32,496.00.

As of May 1, 1993, the effective date of the wage reopener period in question, there were fifty-three sworn firefighters in the Fire Department, including 23 Firefighters EMT II, 15 Firefighters EMT I, eight Lieutenants EMT II and one Lieutenant EMT I in the bargaining unit.<sup>5</sup> Those classified as EMT II's are licensed by the state as paramedics and serve as Firefighter/-Paramedics or Lieutenant/Paramedics. The exempt workforce, not in the bargaining unit, consisted of one Fire Chief, one Deputy Fire Chief, three Captains, and one Fire Prevention Captain. No City employees outside the Fire Department were then or are now in a collective bargaining unit. The City's Police Department, cited by the Union for internal comparisons, consists of 55 employees: a

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<sup>4</sup>This data was provided by the Union. The home value data was based on a "1993 Realtor's Survey and real estate boards;" the source and timeframe for the income data was not indicated. However, the City did not challenge the accuracy of this data.

<sup>5</sup>Under the terms of the Agreement, the Union is the collective bargaining representative for "all full-time Firefighters employed by the City of Highland Park in the classifications or ranks of Firefighter, Firefighter-EMT I, Firefighter-EMT II, Lieutenant, Lieutenant-EMT I, Lieutenant-EMT II, and Fire Prevention Inspector, but excluding Captains (Captain, Captain-EMT I, Captain-EMT II), Managerial, Confidential, and Supervisory employees as defined in the IPLRA, and all other employees of the Department and City." During the reopener term, May 1, 1993 to April 30, 1994, one Fire Fighter EMT I was reclassified to Fire Fighter EMT II.

Police Chief, a Lieutenant Special Duty (considered the equivalent of the Deputy Fire Chief), 5 Lieutenants, 6 Sergeants, and 42 Patrol Officers.

The Union was certified to represent the bargaining unit on February 17, 1987. The first collective bargaining agreement between the parties went into effect November 1988, but established salaries retroactive to May 1, 1987. That contract provided for an across-the-board increase of 4% retroactive to May 1, 1987; an increase of 4.15% retroactive to May 1, 1988, with "Paramedic Pay" of \$1250 for EMT II's and \$500 for EMT I's in addition to salaries; effective May 1, 1989, Paramedic Pay of \$1350 (EMT II's) and \$540 (EMT I's) incorporated into base salaries, "after which all base salaries at a minimum shall be increased 4.475%; except base salaries for Lieutenants at a minimum shall be increased 5.75 %;" and effective May 1, 1990, a 4.5% increase to base salaries (which now included the 1989 Paramedic Pay).<sup>6</sup>

The parties entered into a second contract effective May 1, 1991 through April 30, 1992, which provided that base salaries would be increased effective May 1, 1991, "by the same percentage amount as is received on an across the board basis by all other City employees eligible by law for collective bargaining, or by police sergeants, whichever amount is higher," and that the bargaining unit would receive any other increase or improvement in salary, wages or fringe benefits granted to any other group of City

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<sup>6</sup>The City also granted all other City employees a 4.5% increase effective May 1, 1990.

employees eligible by law for collective bargaining, or to police sergeants. The 1991 - 1992 agreement continued all other contract provisions intact and added a clause referred to by the parties as a "nonprecedent" clause:

4. It is understood that this Agreement shall not be considered a precedent for purposes of resolving future collective bargaining negotiations between the parties, to any City claim that the increases granted hereunder are sufficient or greater than they should be, or to any Union claim that the increases granted hereunder are insufficient.

The May 1, 1991, increase turned out to be 4.5 percent, the same across-the-board increase given to other City employees.

The present Agreement, effective September 15, 1992, provided for a retroactive salary increase effective May 1, 1992 of 3.5 percent, subject again to a "nonprecedent" clause.<sup>7</sup> Wage rates to be effective May 1, 1993, May 1, 1994, and May 1, 1995, are subject to wage reopeners. The current Agreement is effective through April 30, 1996.

The parties bargained to impasse on the May 1, 1993 reopener that is the subject of this proceeding.<sup>8</sup> Effective May 1, 1993, the City granted to all City employees, other than police patrol officers, the same 4 percent across-the-board base salary increase

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<sup>7</sup>Again, the City had already granted all other City employees the same 3.5% increase that it subsequently agreed to give the bargaining unit employees.

<sup>8</sup>The parties also are still in negotiations over the 1994 reopener.

that it has offered in its final offer to the firefighters.<sup>9</sup> The police patrol officers were awarded an across-the-board increase of 8 percent.

**B. Analysis**

By statute and the parties' stipulation, the Arbitration Panel must adopt the last offer which more nearly compiles with the following factors, as applicable:

- (1) The lawful authority of the employer;
- (2) Stipulations of the parties;
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs;
- (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
  - (A) In public employment in comparable communities;
  - (B) In private employment in comparable communities:
- (5) The average consumer prices for goods and services commonly known as the cost of living;
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, and the continuity and stability of employment and all other benefits received;
- (7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings;
- (8) Such other factors, not confined to the foregoing,

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<sup>9</sup>The City also granted the increases in the longevity schedule that it apparently has agreed to for the firefighters.

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.<sup>10</sup>

However, with all these factors considered, interest arbitration is at its core a conservative mechanism of dispute resolution. Interest arbitration is intended to resolve an immediate impasse, but not to usurp the parties' traditional bargaining relationship. As Arbitrator Kossoff noted in Village of Bartlett, FMCS Case No. 90-03589 (1990):

If an Arbitrator awards either party a wage package which is significantly superior to anything it would likely have obtained through the collective bargaining process, that party is not likely to want to settle the terms of its next contract through good faith collective bargaining. The temptation, and political pressures, will be very great to try one's luck again in arbitration in hopes of getting a better deal than is likely available at the bargaining table. This undermines the collective bargaining process which is the cornerstone of our national and state labor relations policies.

In other words, as I stated recently in Kendall County, Case Nos. S-MA-92-216 and S-MA-92-161, "Interest arbitration is not supposed to revolutionize the parties' collective bargaining relationship; the most dramatic changes are best accomplished through face-to-face negotiation."<sup>11</sup>

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<sup>10</sup>In the discussion that follows, the factors most determinative of the outcome of this Interest Arbitration are highlighted. However, all the statutory factors have been considered in reaching this decision and Award.

<sup>11</sup>This comment was made in the context of a Union's effort to devise a comparative group of urban and fast-growing counties, reflecting Kendall County's steady transformation in that  
(continued...)

As a result of these precedents and others, each of the parties here has labored mightily to color its final offer as an extension of the parties' traditional wage agreements, and the other's final offer as a "break-through" that should not be granted through interest arbitration. The primary thrust of the Union's argument that its final offer should be adopted is that the additional increase for Firefighter/EMT II's, over and above the four percent that the City would give, is necessary in order to preserve a historical parity between Firefighter/Paramedics and police patrol officers. In other words, the Union asserts that internal comparisons--the comparability of police patrol officers and firefighter EMT II's--together with the peculiar role of interest arbitrator **not** to deviate from the results that the parties should have obtained through collective bargaining, favor its proposal over the City's.<sup>12</sup> The Employer argues the converse, and justifies its grant of an extra 4 percent raise to patrol officers as a quid pro quo for the extra work release days conceded to the firefighters in previous collective bargaining contracts.

The Union asserts that the Patrol Officer-Firefighter EMT parity has been maintained since fiscal year 1984. In 1984, the annual salary of patrol officers at the top step was 0.3 percent

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<sup>11</sup>(...continued)  
direction, and to exclude from the comparison historically more rural counties, reflective of Kendall County's roots.

<sup>12</sup>By the Union's calculation, its proposal would increase the differential between Patrol Officers and Firefighter EMT II's to slightly more than the 1992 differential of 0.51 percent, while under the City's final offer, the spread between the salaries of the two classifications would increase eightfold, to 4.38 percent.

higher than the annual salary of firefighter/paramedics at the top step, including the paramedic bonus of \$1000. In 1985, the difference increased to 0.43 percent, because although the police and firefighters received the same increase, the increase did not apply to the \$1000 paramedic bonus. In 1986, the police received a 5.175 percent increase, while the firefighters received a 5 percent increase on their base, plus an increase in the paramedic bonus to \$1250, which resulted in virtual parity at the top step of each classification. The following two fiscal years, police and firefighters received the same percentage increases (4 percent and 4.15 percent in 1987 and 1988 respectively), but because the percentage was applied only to base salary and not to the \$1250 paramedic bonus, the gap again widened to 0.3 percent.

According to the Union, the parties agreed for fiscal year 1989 to virtual pay parity between the firefighter/paramedics and the police patrol officers, by agreeing to increase paramedic pay to \$1350, incorporate the paramedic pay into the base, and then increase the base salary by 4.475 percent "at a minimum." It was the Union's understanding, according to their representative, that the City would grant other employees the same 4.475 percent increase, or grant to the bargaining unit any larger increase given to nonbargaining unit employees.

This agreement to "maintain wage parity" was not stated expressly in the 1988 Agreement, the Neutral notes. Moreover, in 1989, the City granted a 5 percent increase to the other employees,

but did not increase the firefighters' raise beyond the contractual 4.475 percent.

As a result, the differential between the police patrol officers and firefighter/paramedics increased to 0.51 percent. It is undisputed that this differential in pay structure between patrol officers and firefighters was maintained in fiscal years 1990, 1991 and 1992, when the City granted to both police patrol officers and firefighter/paramedics increases of 4.5, 4.5 and 3.5 percent, respectively.<sup>13</sup> Despite this fact, the Union contends that the parties had previously established pay parity between the patrol officers and firefighter/paramedics and that their 1988 agreement was intended to "lock in" that virtual pay parity. This was shown by the 1987-1988 bargaining history adduced at hearing in this case, the Union asserts, and subsequent bargaining agreements continued to reflect that goal, if not actual pay parity, it concludes. From the inception of the bargaining relationship, if not before, the Union argues, "virtual pay parity" was locked-in between the firefighter/paramedics and police patrol officers, because that is what the parties agreed as the intended result of their first labor contract.

This view, however, gives the parties' actions prior to collective bargaining and in the initial bargaining for the 1988 contract an unduly broad or expansive meaning with regard to the

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<sup>13</sup>The fiscal year 1991 was expressly a "me-too" agreement, with the Union agreeing to the same increase given to nonbargaining unit or police sergeants. The Union notes that the labor agreement that year specifically reserved to the Union the right to challenge the continued differential.

issue of pay parity, the Neutral holds. It is the Neutral's conclusion that the factual circumstances involved in the instant dispute reflect no binding agreement or established practice to maintain pay parity between police officers and firefighters in the manner suggested by the Union. After all, Management continued to oppose the notion of pay parity and implemented its opposition through the patterns of pay raises from 1989 to date.

Indeed, the patterns of pay raises for the two groups, and the history of bargaining for the 1991 "me-too" contract, and the current 1992 - 1996 Agreement, show to the neutral chair, at least, that the Union has been unable since 1988 to enforce or reaffirm the "pay parity" concept as a controlling factor for firefighter/paramedic wages.<sup>14</sup> There are simply too many deviations to explain, too many "fudge factors." Moreover, although the Union has sought to preserve its right to challenge the sufficiency of the 1991 and 1992 wage increases by negotiating "non-precedent" language in those wage agreements, that language does not alter the numeric results of the parties' bargaining: the actual size of the agreed-upon increases in 1991 and 1992, and the resulting and continuing lack of pay parity "in fact," that cannot

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<sup>14</sup>The Union also offered the U.S. Department of Labor's Dictionary of Occupational Titles to justify the parity goal. This evidence is of only modest value here: the parties agree that the positions are "comparable," and the compensation levels are "comparable." But this does not alter the fact that the compensation levels for the firefighters and patrol officers have not been in such precise parity as the Union contends, the Neutral finds.

be overcome solely by the "non-precedent" language in the current wage reopener, as explained earlier.

The inclusion of that precise wording in Section 18.1 may have contemplated a possible later expansion of the pay rates to "reestablish parity," as the Union sees it. The language of Section 18.1 certainly recognizes that the parties in 1992 had a difference of opinion as to the propriety of the pattern of raises since 1987. It further reflects, however, that a mutually acceptable means of achieving resolution of this disagreement over the existence of "parity" and a resultant compromise of the many issues related to this concept might come from the later give and take of direct bargaining. That is not the same thing as an Employer admission of an earlier "deal" on the disputed point of pay parity between police and fire employees.

The present arrangements thus do not directly prove that the Union sought and won a provision in the 1987 contract, actual or implicit, confirming its right to wage parity for firefighters/paramedics and patrol officers, only to see that right not implemented in all the later series of pay raises, including the May 1, 1989 pay increase which occurred at the same time the EMT stipend was eliminated as part of this Unit's pay structure. Had the agreement for wage parity been the kind the Union now suggests, the Union would hardly have permitted the .05 percent pay differential created at that time, and it would likely not have agreed to place such a clause as Section 18.1 in the parties' labor contract, the Neutral notes. And, equally important, management

did continue to successfully bargain wage increases which did not recapture or re-establish "pure wage parity" on every occasion the matter came up over the years, the record shows.

Hence, the provisions for "non-precedent" wage increases in 1991 and in the current agreement do not bar consideration of what the parties have actually done as regards wage increase since 1987 or mandate a conclusion that a "mutual agreement" for wage or pay parity existed as of the effective date of the initial contract, in November, 1988, logic tells me. The parties instead appear to not have been able to embrace an accommodation of this dispute during the negotiations for the 1991 or the current contract, entered into in September, 1992, but chose instead to postpone any final decision until such time as the parties proved able to find a solution to the question, giving the record evidence the reading most favorable to the Union, the Neutral finds.

Additionally, as the City has suggested, whatever the comparison of salary rates, the firefighters have surpassed the police officers in another benefit closely allied with salary rate in measuring overall compensation: work release days. Comparison of this benefit is not straightforward. Firefighters work a schedule of one 24-hour day on duty and then 48 hours off, for a total of 2912 straight time hours in a year, while police work 8 hour days and 2080 straight time hours in a year.

Since the 1987 fiscal year, patrol officers have been granted one additional paid day off (0.38 percent of the workyear), while firefighters have negotiated 5½ additional (24-hour) days off (4.5

percent of their duty year) during that time. Thus, the City explains that the extra 4 percent raise for patrol officers in 1993 was designed to bring **the patrol officers** into parity with the firefighters.<sup>15</sup> The essential thrust of the Union is that the "extra" 4 percent raise given the police in May, 1993 is to keep out a Union for the police officers or punish the firefighters for their 1987 choice of this Union. This is tantamount to an allegation of an unfair labor practice, the record shows. However, no direct or convincing proof to support this conjecture was presented in the current case, the Neutral finds. The shortcomings in proof on this critical part of the Union's theory of the case make its claim of management's improper motive irrelevant to the resolution of the current case. Since this is true, the alleged "improper purpose" is irremediable in this forum.

The Neutral thus finds that the Union has failed to prove a status quo of pure wage parity between the patrol officers and firefighter EMT II's that would serve to "bind" the parties and favor the Union's proposal. Even in those years, apparently 1984-1987, when there was close parity between patrol officers and firefighters, there was no written policy or contractual language

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<sup>15</sup>The City insists that the Union is attempting to obtain for nothing an increase that it was offered during negotiations "at a price." It is true that during these wage reopener negotiations, the City offered the Union the same extra 4 percent raise given to the patrol officers, in return for the bargaining unit's giving back four of the 5½ days off they had achieved in past negotiations. The Union's reasons for rejecting this proffered tradeoff are irrelevant to the merits of its current final offer, which does not include an additional 4 percent increase for the entire unit.

to directly support the linkage contended-for presently. The parties further selected in May, 1989 to roll the former EMT stipend into firefighters base salaries, without an express statement that wage parity was the express quid pro quo for what actually was to be a separate and distinct benefit to the firefighters.

This conversion meant, after all, that all future wage increases based on percentages would apply to the former EMT stipend, the record reveals. And the "parity" was immediately lost by the greater increase given to the police officers in 1989, a fact of life the Union reluctantly lived with through bargaining in 1991 and for the first year of the current contract. Consequently, the pay or wage parity which the Union says distinguishes its position from that of Management and justifies a larger proposed increase as something different from a wage break through has not been established by anything like the clear proof of a real parity "status quo." Substantial proof would be needed to overcome the plain fact that the Union's final proposal seeks to bring back the discarded former EMT stipend formula, the Neutral holds. By endeavoring to re-establish this particular pay stipend, the Union seeks just such a break through.

The Union's position also ignores the fact that the City's offer will maintain the pattern of equal across-the-board increases for all City employees, other than the police. Surely, this is not dispositive of the case, but it is another, independent piece of proof going toward the Employer's theory of the case. The point is

that the patrol officer's increase is not the only internal comparable to look at, the Neutral finds.

Based on the foregoing, the Neutral Arbitrator holds that Union has failed to establish the critical internal comparability that is the linchpin of its case. By seeking to reestablish the "paramedic pay" as a \$1400 addition to the base salaries of Firefighter EMT II's, as noted above, the Union, and not the City, is seeking to change the status quo, to obtain through this interest arbitration something that it had not obtained and could not be expected to have obtained through collective bargaining.<sup>16</sup> It is not the role of interest arbitration to so alter the relationship between the parties.<sup>17</sup>

Perhaps more important, I find that the other statutory criteria, particularly the external comparable and cost of living considerations, favor the City's offer and do not otherwise justify

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<sup>16</sup>A further change in the status quo, for which the Union offers no justification, is that the Union's offer would reestablish the Firefighters' paramedic pay, without reestablishing paramedic pay for the Lieutenant EMT II's. This would create a new disparity within the bargaining unit itself, which the factor of internal comparability, on the record in this case, does not favor.

<sup>17</sup>This is particularly true in light of the City's reasons for granting an additional 4 percent increase, on top of the 4 percent increase granted to all other City employees, to the City's police patrol officers. The City argues with at least some justification that it granted the patrol officers the extra 4 percent to assuage their increasing dissatisfaction over the perceived economic advantage enjoyed by the firefighters, who had 4 more work release days than the patrol officers. Thus, the patrol management and the City determined in early 1993 that the police officers, and not the firefighter/paramedics, were lagging behind when overall compensation was compared. Again, this substantially undermines the Union's effort to cast the parties' prior bargaining history as being guided by the pure/wage parity principle.

the Union's final offer on wages. The Union did not present detailed evidence to define or justify a set of other communities that might be considered comparable to Highland Park for our purposes. The Union presented one list of 9 communities, and another list of 21 communities, without explaining the basis for the selections, other than to say that these were comparable used by the City in its bargaining with it over the years, leaving it to the Arbitration Panel to determine which were in fact the appropriate comparable communities.

On the other hand, the City at the hearing systematically selected 13 communities as comparable for these purposes, first, by identifying all communities with separate fire departments within the 18 mile residency radius established by City regulation for firefighters, next, by eliminating from that list of 33 all communities with population no more 50 percent greater or smaller than the City's, and then by eliminating from that group of 18 all communities with EAV per capita no more than 50 percent greater or smaller than Highland Park's. The communities thus identified by the City were: Elk Grove Village, Northbrook, Libertyville, Bensenville, Rolling Meadows, Niles, Gurnee, Wilmette, Glenview, Park Ridge, Wheeling, Morton Grove and Buffalo Grove.<sup>18</sup>

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<sup>18</sup>The Union's 1993 population figures for Gurnee would have eliminated it from this list, but that change does not alter our analysis. The Union's short list includes Elk Grove Village, Northbrook, Park Ridge, Rolling Meadows, Glenview, Libertyville, Wilmette and Morton Grove, all on the City's list of comparable communities, but excluding Bensenville, Niles, Wheeling Buffalo Grove, and Gurnee. The Union's long list excluded Bensenville, but added Mt. Prospect, Des Plaines, Glencoe, Schaumburg, Winnetka,  
(continued...)

The City's selection method appears reasonably tailored to yield communities that are the nucleus of a job market cluster relevant to the City of Highland Park, which requires that its employees live within an 18-mile radius of the city, and also share with the City the common guideposts of similar populations and similar equalized assessed property valuations. As Arbitrator Benn observed in Village of Streamwood, Case No. S-MA-898-89:

The concept of a true "comparably" is often times elusive. . . . Differences due to geography, population, department size, budgetary constraints, future financial well-being, and a myriad of other factors often lead to the conclusion that true reliable comparable cannot be found. The notion that two municipalities can be so similar (or dissimilar) in all respects that definitive conclusions can be drawn tilts more towards hope than reality.

As I have noted, in City of DeKalb and DeKalb Professional Firefighters Assn, Local No. 1236 I.A.F.F., Case No. S-MA-87-26 (Goldstein, 1988) and Kendall County and Illinois Fraternal Order of Police Labor Council, Case Nos. S-MA-92-216 and S-MA-92-161 (Goldstein, 1994), geographic proximity is a primary, but by no means the sole, indicator of labor market comparability. By eliminating communities within the 18-mile radius that deviate from the City by more than 50 percent in population and EAV, the City has narrowed the field to communities that may more closely resemble the City. In this case the record does not contain any basis for rejecting the City's methodology, the Neutral concludes.

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<sup>18</sup>(...continued)  
Evanston, Arlington Heights, Hoffman Estates, Lake Forest, and Skokie to the City's list.

Within the set of comparable communities, the City's offer measures up favorably, I finally note. The proposed four percent increase would significantly exceed the group median increase of 3.5 percent, and would be the second highest among the comparable, exceeded only by Northbrook's 4.75 percent increase. On the other hand, the Union offer, which is equivalent to an across-the-board increase of 5.6 percent (7.32 percent to the Firefighter EMT II's), would be higher than all other increases among the comparable communities.<sup>19</sup>

In absolute terms, rather than percentages, the City's offer is also favored by the comparison. All classifications, other than Firefighter/EMT I's, would rank in the middle of the comparison group in terms of maximum base salary, and the City's Firefighter/EMT I's would have the highest maximum base salary in the group.

Moreover, when overall compensation is compared, the City's firefighters are at or near the head of the pack. In particular, the City's employees pay nothing for their health insurance. Although the Union seeks to exclude the value of this health

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<sup>19</sup>The City correctly observes that among the selected comparable communities, it is difficult to measure a "paramedic premium," because that "premium" may take a variety of different forms, from the difference between salary levels for employees with and without licensure, to a separate add-on bonus paid to employees with licensure. Some jurisdictions may require licensure but not pay an identified premium for that qualification. Because of these complexities as they appear from the record in this case, the comparison of various alternative measures of the paramedic premium paid by various communities would appear to have less probative value than comparing the percentage increases in overall wages referred to in the text.

insurance benefit from the external comparisons, to do so would be highly misleading. Health insurance today is a substantial and valuable benefit, in light of rising health care costs and increasingly restrictive cost containment efforts of group plans.

To ignore or discount this benefit would seriously understate the real compensation received by the bargaining unit and the other employees. Any party cannot cherry-pick; in this case, I find it incorrect to include only a few "add-ons" in determining overall compensation and external comparability. It may be that some "quality-of-life" add-ons are not readily valued for comparison purposes, but health insurance coverage is not one of those, and it is appropriate to consider the City's contribution of the entire premium as part of the bargaining unit's overall compensation.

Thus the external comparisons and assessment of the bargaining unit's overall compensation favor the City's offer.

Another applicable statutory factor favoring the City's offer is the cost of living. As I have observed, in Village of Skokie, supra:

[O]ne appropriate and the most common way to look at CPI data in terms of negotiations and interest arbitration is to use the year since the parties last negotiated over wages. These figures are geared to present a picture of what happened since the last pay raise for which the parties bargained and agreed.

The CPI-U for the Chicago Metropolitan Area for 1992-1993 increased by 3.7 percent, while the CPI-U, U.S. City Average for the same period increased by 3.22 percent. It is unnecessary to determine which of these figures is the more appropriate reference point for Highland Park, because the City's offer of a 4 percent increase

comfortably exceeds both, without justifying the 5.6 percent increase that would result from the Union's offer.

The parties do not dispute that the City has the ability to pay either offer. However, the City contends that the factor usually referred to in shorthand as "ability to pay" also encompasses "the interest and welfare of the public," which in this case favors the City offer, it strongly urges. The City calculates the difference between the City's offer and the Union's offer as \$32,200, money that it contends could be used to cover some of the projects that department heads requested but could not be funded in 1993. Such budgeting priority decisions ought not be overruled by interest arbitration, the City avers.

This argument about projects that the City decided to forego in a previous fiscal year misses the point. That decision was made before the City knew how much it might have to spend as a result of the 1993 wage reopener, so any impact will be felt in the funding of projects in the present or following fiscal year. A list of projects unfunded in 1993 is largely irrelevant, where the City does not contest its ability to pay.

In fact, the more probative public interest here is the City's payment of wages sufficient to attract and retain competent firefighting personnel. As discussed above, the City's offer would place the City's firefighters comfortably within the middle of range of compensation paid by comparable communities within the 18-mile residency limit. The Union's offer would certainly satisfy these requirements, but leave less money for other civic uses.

Thus, the factor of the interest and welfare of the public favors the City's offer, the majority of this Board finds.

V. CONCLUDING FINDINGS

In light of the foregoing analysis, the Neutral Arbitrator finds, after a full review of the parties' comprehensive submissions and the submitted briefs, that my decision is to adopt the Employer's final offer, Employer Exhibit 1, as more fully satisfying the statutory standards which the parties have stipulated are the mandated criteria controlling the resolution of this dispute. Particularly significant in my determination, as was more fully developed above, is my conclusion that the factual circumstances involved in the instant dispute reflect no binding agreement or established practice to maintain pay parity between the police officers and firefighters in the manner suggested by the Union.

The Neutral specifically finds that whatever the tacit or actual agreements were that were made in 1986, prior to the time of certification of the Union, or what the initial contract between the Union and the Employer "should have reflected" of the parties' negotiations in 1988, when the Union concededly sought wage or pay parity with the firefighters' counterparts in the police department, the record evidence belies the Union's claim that pure wage parity was achieved as a matter of contract right. Indeed, the pay raises for the two groups, and the history of bargaining for the 1991 contract and the current contract, show that the Union

has been unable to enforce or reaffirm the "pay parity" concept as a controlling factor for firefighter/paramedics wages, the record discloses. Hence, the Union's claim that the "binding" status quo is pure wage parity in the sense contended-for by the Union in the current case stands unproved. This is true, despite the "no-precedent" nature of the 1992 contract, Section 18.1, based on the data in Union Exhibit 4, the majority of this Board concludes.

Perhaps more importantly, the majority finds the other, statutory criteria, particularly the external comparable and cost-of-living data, do not otherwise justify the Union's final offer on wages, in the sense of making it more reasonable or fair than the Employer's final offer.

The majority of the Board therefore concludes that the City's final offer on wages as set forth in Section III of this Opinion is reasonable, and adopts it as the result of the wage reopener to be effective retroactive to May 1, 1993. In reaching this conclusion, the Board has considered all the pertinent statutory factors set out in Section 14(h) of the IPLRA, including the parties' stipulations, external and internal comparability, cost-of-living, the overall compensation presently received by the employees, and such other factors, not confined to the foregoing, which are normally and traditionally taken into consideration in the determination of wages, hours and conditions of employment in collective bargaining.

VI. AWARD

The undersigned panel adopts the City's final offer on wages, adding to Section 18.1 of the Agreement the following:

Effective May 1, 1993, all base salaries shall be increased by four percent (4%), as reflected in the salary schedule attached hereto and made a part hereof as Appendix B, and employees shall be paid pursuant to said schedule. The increase specified will be retroactive for all employees on the payroll at any time since May 1, 1993, who are still on the payroll on the effective date of this Agreement, and retroactivity will apply to straight time hours and overtime hours paid during any bi-weekly pay period.

2/7/95  
Date

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Date

\_\_\_\_\_  
Date

Elliott H. Goldstein  
Elliott H. Goldstein, Chairman

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James Baird, Employer Delegate

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Robert S. Sugarman, Union Delegate