

Interest Arbitration
under the
Illinois State Labor Relations Act

City Of Batavia, Illinois,

Employer

and

Illinois Fraternal Order of
Police Labor Council, Lodge
No. 224,

Union

ISLRB No. S-MA-95-15
Arbitrator's File 95-140

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August 6, 1996

Opinion and Award

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I. Statement of the Case

In accordance with the Illinois Public Labor Relations Act, 5 ILCS 315/1, et seq. (hereinafter the "Act"), a hearing was held in Batavia on July 31, 1995 to resolve six economic issues. Both parties have submitted post-hearing briefs.

The parties asked me to resolve following economic issues (Joint Exhibit 3):¹

1. Wages for Police Officers.
2. Wages for Sergeants.
3. Employees' share of the cost of dependent insurance coverage.
4. Vacation Selection (July 4, Loyalty Day and Utility Officer vacation selection limitations).
5. Holiday pay.
6. Uniform Allowance.

¹In the remainder of this Opinion, I shall cite Joint Exhibits as "JX _____," Union Exhibits as "UX _____" and City Exhibits as "CX _____." I shall cite the Hearing Transcript as "Tr. _____."

The final offers are summarized below:

Table 1. Summary of Final Offers

Impasse Issue	Union's final Offer	City's Final Offer
Patrol Officers' Wages	1/1/95: 4% 1/1/96: 4% 1/1/97: 4%	1/1/95: 3% 1/1/96: 4% 1/1/97: 4% Tax sheltering of pension contributions as soon as practicable, as permitted by IRS
Sergeants' Wages	1/1/95: 4% each step 1/1/96: 4% each step 1/1/97: Freeze start step Increase 1-, 2- and 3-year steps by 4% 7/1/97: Increase 2- and 3-year steps by 1%	1/1/95: 3% 1/1/96: 4% 1/1/97: 4% Tax sheltering of pension contributions as soon as practicable, as permitted by IRS
Costs of Dependent Health Insurance	1/1/95: Current contract (i.e. ½ cost paid by employee) 1/1/96: 40% paid by employee 1/1/97: 30% paid by employee	No change
Vacation Selection	No Change	Prohibit scheduling vacations on day of City's annual fireworks show and Loyalty Day Prohibit Utility Officer from scheduling vacation during his or her 28-day cycle
Holiday Pay	All holidays worked will be paid at the rate of 2½	No change
Uniform Allowance	1/1/95: \$500 1/1/96: \$550 1/1/97: \$600	No change

II. Applicable Statutory Standards

Section 14(g) of the Act provides that "[a]s to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in subsection (h)."² Section 14(h) of the Act sets out eight factors to be used in evaluating economic proposals:

The lawful authority of the employer.

Stipulations of the parties.

The interests and welfare of the public and the financial ability of the unit of government to meet those costs.

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:

In public employment in comparable communities.

In private employment in comparable communities.

The average consumer prices for goods and services, commonly known as the cost of living.

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.

Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

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

²The parties waived the tri-partite panel described in the Act.

employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

The critical factors in economic interest arbitration are set out in paragraphs 3 through 6. "The most significant standard for interest arbitration in the public sector is comparability of wages, hours and working conditions."³ The employer's "ability to pay" the wages and benefits requested and the "cost of living" are other factors of major significance.

III. Background

Batavia, a city with a population of about 20,000, is located in Kane County, 35 miles west of downtown Chicago (Tr. 19, 190; CXs 1 & 5). Batavia is a non-home rule municipality with a mayoral/aldermanic form of government (Tr. 19). City Administrator Ronald Popschweit oversees six departments, including the police, fire and public works departments (CX 14), all of which have been unionized and are represented respectively by FOP, IAFF and IBEW (Tr. 195). The City's fiscal year corresponds to the calendar year.

IV. Comparability

The parties did not agree on which municipalities were comparable to the City of Batavia.

On the basis of the following statistical comparisons, the Union contends that the jurisdictions listed in Tables 2

³Arvid Anderson & Loren Krause, "Interest Arbitration in the Public Sector: Standards and Procedures," Tim Bornstein & Ann Gosline, eds. *Labor and Employment Arbitration* (New York: Matthew Bender, 1991), Vol. III, ch. 63, §63.03[2], at 7.

and 3 below are comparable to Batavia (jurisdictions considered comparable by both parties are in ALL CAPS) (UX 5).

Table 2. Union Comparables: EAV; Population; Median Home Value; Per Capita Income; Median Household Income; Number of Officers

Jurisdiction	Equalized Assessed Valuation	Population	Median Home Value	Per Capita Income	Median Household Income	# of Officers
Algonquin	\$211,171,930	11,663	\$133,300	\$19,255	\$53,665	23
Bartlett	254,394,474	19,373	132,600	18,324	51,524	32
Bensenville	384,695,065	17,767	106,800	15,024	36,649	40
Bloomington	400,149,905	16,614	147,200	22,008	51,975	42
Brookfield	157,249,789	18,876	105,100	16,117	37,232	26
Darien	367,154,889	18,341	159,000	21,594	52,875	27
GENEVA	282,481,750	12,617	147,900	21,232	49,755	25
GLEN ELLYN	463,283,073	24,944	162,500	24,151	51,916	33
La Grange	210,412,791	15,362	166,100	21,660	52,467	28
LISLE	467,198,122	19,512	162,800	23,952	49,712	35
ROSELLE	295,248,220	20,819	124,200	18,647	50,802	31
Villa Park	297,598,360	22,253	109,600	16,412	41,316	35
Warrenville	168,171,438	11,333	112,200	19,127	49,091	17
Westchester	246,612,783	17,301	127,200	20,009	44,635	35
Westmont	361,064,612	21,228	129,200	17,874	37,315	35
WOOD DALE	322,956,883	12,425	122,400	18,715	43,048	32
Batavia	308,699,451	17,076	136,900	17,867	45,005	33
Average w/o Batavia	305,615,255	17,527	134,256	19,631	47,124	33

Table 3. Union Comparables: Property Tax; Sales Tax; Utility Tax; Local Tax; Intergovernmental Revenue; Other Local Revenue; Total Revenue

Jurisdiction	Property tax	Sales Tax	Utility Tax	Other Local	Intergov. Revenue	Other Local Sources	Total Revenue
Algonquin	\$1,126,019	\$ 495,470	\$ 552,627	\$ 0	\$1,011,359	\$1,682,827	\$ 4,869,302
Bartlett	3,445,584	818,601	0	31,082	1,370,847	2,316,066	7,982,180
Bensenville	4,772,823	0	799,426	0	4,896,535	2,612,213	13,080,997
Bloomington	1,478,214	5,492,637	0	747,269	1,011,502	1,820,880	10,550,502
Brookfield	2,012,767	746,831	716,270	138,530	1,462,228	1,712,292	6,788,918
Darien	708,466	1,302,605	300,752	24,875	1,645,017	939,728	4,921,443
GENEVA	2,353,679	1,186,358	1,106,082	70,976	1,595,441	1,475,052	7,787,588
GLEN ELLYN	3,385,562	1,987,335	1,524,176	0	2,011,520	2,622,166	11,530,759
LaGrange	4,159,309	886,175	587,024	0	1,620,187	1,992,343	9,245,038
LISLE	2,108,998	2,512,726	511,237	511,850	1,510,599	2,232,899	9,388,309
ROSELLE	2,680,032	1,283,881	1,059,562	0	1,636,636	1,676,515	8,336,626
Villa Park	3,012,118	3,879,487	1,010,582	624,881	1,357,323	3,166,065	13,050,456
Warrenville	1,790,816	588,112	0	645,022	316,866	835,206	4,176,022
Westchester	3,585,345	1,353,881	0	217,481	1,398,618	1,868,127	8,423,452
Westmont	2,397,303	3,919,987	859,163	233,436	1,628,792	1,954,281	10,992,962
WOOD DALE	2,395,139	1,791,590	974,177	259,472	1,455,277	1,261,452	8,137,107
Batavia	1,935,316	1,690,232	496,726	13,043	1,682,194	1,064,484	6,881,995
Average without Batavia	2,588,261	1,765,355	625,067	219,055	1,620,547	1,885,507	8,703,791

The City contends that the following jurisdictions are comparable to Batavia on the basis of the following statisti-

cal comparisons (jurisdictions considered comparable by both parties in ALL CAPS) (CX 1-11).

Table 4. City Comparables: Population; Median Home Value; EAV; Sales Tax Revenues; Per Capita Sales Tax; Per Capita Income; Per Capita EAV; Number of Officers

Jurisdiction	Population	Median Home Value	EAV (in Dollars)	Sales tax Revenues	Per Capita Sales Tax	Per Capita Income	Per Capita EAV	# of Officers
Carpentersville	23,049	\$ 78,900	186,628,406	\$1,308,009	\$ 56.75	\$11,803	\$ 8,097	46
GENEVA	16,578	147,900	292,481,750	1,337,681	80.69	21,323	17,643	29
GLENELLYN	25,673	162,500	463,238,073	1,940,597	75.59	24,151	18,044	31
LISLE	19,584	162,800	467,198,122	3,238,172	165.35	23,952	23,856	33
Romeoville	14,101	73,300	155,771,073	1,141,365	80.94	12,323	11,047	NA
ROSELLE	20,819	124,200	295,248,220	1,401,851	67.34	18,647	14,182	35
W. Chicago	14,808	94,200	247,221,496	2,085,309	140.82	13,241	16,695	42
WOODDALE	12,394	122,400	322,956,883	1,843,042	148.70	18,751	26,058	33
Woodridge	28,504	120,500	334,435,853	2,154,378	75.58	17,730	11,733	49
Batavia	20,236	136,900	308,701,897	1,984,710	98.08	17,867	15,255	37

A. Positions of the Parties

1. The City

1. The City selected jurisdictions "objectively comparable" to Batavia, but the Union's selections were subjective and thus biased. The City "used undoubtedly relevant variables...in a disciplined, rigorous and objective way" (City Brief, 21). The City "consistently used a 50%± range for including and excluding potential comparable jurisdictions" but exercised "judgment in borderline cases such as the Village of Lisle, which was just beyond the range on both EAV and sales tax revenues, and the Village of Glen

Ellyn which was just beyond the range on equalized assessed valuation" (City Brief, 21-2).

2. The four jurisdictions chosen by the City but not the Union should have been chosen. Woodridge "met the City's criteria on equalized assessed valuations and sales tax revenues and is exceptionally close to Batavia on per capita income...and median home values..., two variables the Union purports to have employed in making its selections" (City Brief, 22). Carpentersville, Romeoville and West Chicago "all met the City's key criteria of equalized assessed values and sales tax revenues" (City Brief, 22). The rejection of Carpentersville "because of comparatively low median home values, per capita incomes, and median household incomes" would "hardly [be] a basis for excluding an otherwise... clearly comparable jurisdiction" (City Brief, 22-3). Romeoville is comparable to Batavia. It has "assets, size and geographic proximity very close to the City of Batavia" (City Brief, 23).

2. The Union

1. "No...mathematical formula" has been developed to guide arbitrators in selecting comparable jurisdictions (Un. Brief, 11). Several arbitrators have rejected in whole or in part the mathematically rigorous approach suggested by Richard Bingham in his well-known study "Agglomerative Hierarchical Cluster Analysis."⁴ In place of this approach, the

⁴See City of Springfield & P.B.P.A, Unit No. 5, S-MA-89-74 (Benn 1990); City of DeKalb & DeKalb Professional Firefighters Association, S-MA-87-76 (Goldstein 1988); and City of Bloomington & Protective Association,

Union has "applied common sense with regard to geographic, demographic, and financial features of the jurisdictions surrounding Batavia" (Un. Brief, 14). The Union cited *Bloomington Fire Protection District No. 1 & Bloomington Professional Firefighters Association, Local 3272*, S-MA-92-231 (Nathan 1994) for the principle that it is the arbitrator's responsibility to—

...find those features which form a financial and geographic core from which a neutral can conclude that terms and conditions of employment in the group having these similar core features represent a measure of the marketplace (Un. Brief, 14-15).

2. Jurisdictions with a population $\pm 50\%$ of Batavia's within the Chicago Primary Metropolitan Statistical Area (PS) and within a 25-mile radius of Batavia provided a pool of comparables from which further cuts were made. From this pool of some 40 jurisdictions, the Union eliminated those at both ends of a list measured by median home value (MHV), per capita income (PCI) and equalized assessed valuation (EAV), ending up with the jurisdictions contained on its list.

3. Algonquin, Bensenville, Brookfield, LaGrange and Westchester are 20 to 25 miles from Batavia. The Union cited

Unit No. 21, S-MA-89-120 (Larney 1990). Arbitrator Edwin Benn found that the "cluster analysis" was questionable because, among other reasons, its purely mathematical approach resulted in the insupportable finding that a number of "suburban Chicago communities" are "more comparable to Springfield than such "economically self-sustaining down state communities" as Urbana, Champaign and Normal (Benn, supra n. 15, at p. 14). I might add that any so-called "purely mathematical" approach rests on the exercise of judgment and common sense in the selection of criteria used as "objective" measuring rods.

City of Peru & FOP Labor Council, S-MA-93-153 (Berman 1995),
for the following proposition:

At some point, distance may foreclose consideration. Where that point lies is conjectural and might require a detailed study of the labor market and other economic and demographic factors. Without an expert study or hard data derived from reasonable hypotheses, an arbitrator must rely on the limited data available, his experience and his ability to make reasonable inferences and reach reasonable conclusions.

B. Discussion and Findings

1. Problems Encountered in Examining Only the Agreed-Upon Comparables

In *City of Peru & Illinois FOP*, S-MA-93-153 (1995), I wrote at page 13:

The problem of comparability with respect to small communities cannot be exaggerated. It is difficult to develop rational and practical comparisons to a city of 10,000 people. There are hundreds of cities in Illinois, and many within 80 miles of Peru, with a population of 5,000 to 15,000. An arbitrator must be mindful that within a large range of possibilities a party may have selected only those cities that support its positions. When in doubt, it makes sense to fall back on the comparables the parties themselves have selected. This cautious approach may also have the virtue of encouraging parties to agree on comparables, thereby enhancing the possibility of settlement.

In this case, 1995 wage data was unavailable with respect to two of the five agreed-upon comparable jurisdictions. For 1996 and 1997, information on wages was available only with respect to Glen Ellyn. Accordingly, I must look beyond the five jurisdictions considered comparable by both parties. For the purpose of drawing conclusions from a statistical sample, and assuming that all other factors are equal, a large sample is more reliable than a small sample. A

restricted sample is unreliable in that it may capture only the mathematical extremes. On the other hand, extremes at both ends of the range will tend to balance out if the sample is large enough.

Interest arbitration is an adversary process tied to the evidence and arguments presented by each party from a partisan perspective. For this reason, I do not expect to meet disciplined, rigorous mathematical standards. An interest arbitrator is not a research scientist dedicated to drawing conclusions from data impartially gathered from a disinterested and scientifically valid perspective.

2. A 25-Mile Cut-off Is As Appropriate as a 20-Mile Cut-off

No evidence was produced to support the argument that a 20-mile cut-off is either more or less appropriate than a 25-mile cut-off. Many municipalities in Chicago's collar counties in a particular region (north, northwest, west, southwest, south) may share a community of economic, social and cultural interest.⁵ It may thus be reasonable to compare Glencoe, Highland Park and Winnetka or Deerfield, Northbrook and Glenview (or all six). Nevertheless, any cut-off at a particular distance, although obviously necessary, is arbitrary. In a large metropolitan area characterized by interstate highways and major arterial roads, large regional

⁵I do not suggest that Ford City, a poor community, is comparable to Flossmoor, a wealthy community in the same region. However, Flossmoor is probably more comparable to the neighboring community of Country Club Hills than to the more distant, if economically similar, community of Highland Park.

shopping centers, and large employers that attract employees from miles away, I cannot conclude that 20 miles is a more appropriate cut-off than 25 miles.

Were Batavia located in the center of Chicago's suburban sprawl, a 10-mile cut-off that takes in many similar communities surrounding Batavia might seem appropriate. But Batavia lies at the western edge of suburbia, and a 25-mile cut-off tending eastward toward Chicago would seem appropriate. It is almost whimsical to find, solely on the basis of proximity, that a town 21 miles away is less comparable than a similar town 19 miles away.

Like Batavia, Algonquin lies on the western edge of suburban Chicago. The evidence did not show whether Algonquin draws from roughly the same labor market as Batavia, but in other respects it would seem to share common demographic interests. Bensenville, Brookfield, LaGrange and Westchester are second-tier Chicago suburbs presumably more closely tied to Chicago than the more distant Batavia. But it is difficult to conclude on the basis of distance alone that these communities are less comparable to Batavia than the agreed-upon municipality of Wood Dale, which is almost 20 miles northeast of Batavia. In short, there is no rational reason to eliminate the five proposed municipalities 20 to 25 miles away from Batavia.

3. Other Factors

On the basis of considerations other than proximity, I must decide whether Algonquin, Bartlett, Bensenville, Bloom-

ingdale, Brookfield, Darien, LaGrange, Villa Park, Warrenville, Westchester and Westmont (Union-only comparables) and Carpentersville, Romeoville, West Chicago and Woodridge (City-only comparables) are comparable to Batavia.

While information such as per capita and household income, median home value and equalized assessed valuation are important, questions (and answers) that may be generated by examining this information is subsumed in one overarching question: How much money does the municipality have available from all sources to spend on services for its residents?⁶ Other data such as index crimes per 100,000 and the number of police officers may also be of interest, but the parties did not attempt to draw significant comparisons from this data.

For its proposed comparables, the Union disclosed the total revenue as well as all sources of revenue. For its proposed comparables, the City disclosed total and per capita sales tax revenue.⁷

(a) Union Comparables

Using the variables of property tax, sales tax and total revenue, as well as population, number of police officers, number of police officers per 1000 population and total revenue per police officer, I have in Tables 5 and 6

⁶Personal income, median home values and EAV may be highly correlated to a municipality's total revenue. On the other hand, a municipality with a large industrial or commercial base (e.g., Skokie, Schaumburg, Oak Brook) has sources of revenue unrelated to per capita income or local real estate values.

⁷Sales tax revenue as a percentage of total revenue ranges from 0% (Bensenville) to 52% (Bloomington). Property tax revenue (which is obviously correlated with EAV and median home values) as a percentage of total revenue ranges from 14% (Darien) to 45% (LaGrange).

below compared the municipalities (excluding agreed-on comparables) considered comparable by the Union.

Table 5. Union Comparables: Property Tax; Sales Tax; Total Revenue⁸

Jurisdiction	Property Tax	Sales Tax	Total Revenue
Algonquin	\$1,126,019=±50%	\$ 495,470=±50%	\$ 4,868,302=±50%
Bartlett	3,445,584=±50%	818,601=±50%	7,982,180=±50%
Bensenville	4,772,823=±50%	-0-±50%	13,080,997=±50%
Bloomington	1,478,214=±50%	5,492,637=±50%	10,550,502=±50%
Brookfield	2,012,767=±50%	746,831=±50%	6,788,918=±50%
Darien	708,466=±50%	1,302,605=±50%	4,921,443=±50%
LaGrange	4,159,309=±50%	886,175=±50%	9,245,038=±50%
Villa Park	3,012,118=±50%	3,879,487=±50%	13,050,456=±50%
Warrenville	1,790,816=±50%	558,112=±50%	4,176,022=±50%
Westchester	3,585,345=±50%	1,353,881=±50%	8,423,452=±50%
Westmont	2,397,303=±50%	3,919,987=±50%	10,992,962=±50%
Batavia	1,935,316	1,690,232	6,881,995

Table 6. Union Comparables: Population; Number of Police Officers; Police Officers per 1000 Population; Total Revenue per Police Officer

Jurisdiction	Population	# of Police Officers	Police Officers Per 1000 population	Total Revenue Per Police Officer
Algonquin	11,663=±50%	23=±50%	1.97=±50%	\$211,665=±50%
Bartlett	19,373=±50%	32=±50%	1.65=±50%	249,443=±50%
Bensenville	17,767=±50%	40=±50%	2.25=±50%	327,025=±50%
Bloomington	16,614=±50%	42=±50%	2.53=±50%	251,202=±50%
Brookfield	18,876=±50%	26=±50%	1.38=±50%	261,112=±50%
Darien	18,341=±50%	27=±50%	1.47=±50%	182,276=±50%
LaGrange	15,362=±50%	28=±50%	1.82=±50%	330,180=±50%
Villa Park	22,253=±50%	35=±50%	1.57=±50%	372,870=±50%
Warrenville	11,333=±50%	17=±50%	1.5=±50%	245,648=±50%
Westchester	17,301=±50%	35=±50%	2.02=±50%	240,670=±50%
Westmont	21,228=±50%	35=±50%	1.65=±50%	314,085=±50%
Batavia	17,076	33	1.93	208,545

⁸Plus-or-minus (±) 50% is determined by using Batavia as the base. Thus, Westmont's total revenue exceeds Batavia's total revenue by more than 50 percent (1.5 x 6,881,995), although Batavia's total revenue is not 50 percent less than Westmont's total revenue (10,992,962 ÷ 2).

On the basis of the foregoing comparisons I exclude Bensenville, Westmont and Villa Park for the following reasons:

Table 7. Jurisdictions Excluded

Bensenville	Not within the $\pm 50\%$ parameters on total revenue, total revenue per police officer, property tax, sales tax and total revenue. Total revenue and total revenue per police officer are the most important points of comparison; the methods of financing and the sources of revenue are less critical than the "bottom line," revenues collected and revenues used to finance police operations.
Westmont	Not within the $\pm 50\%$ parameter with respect to sales tax, total revenue and total revenue per police officer.
Villa Park	Not within the $\pm 50\%$ parameter with respect to total revenue, total revenue per police officer, sales tax and property tax.

Although Bloomingdale is just outside the $\pm 50\%$ parameter (by about 2%) on total revenue, it is comparable to Batavia. The number of police officers, police officers per 1000 population and total revenue per police officer are within the $\pm 50\%$ parameter.

(b) City Comparables

The City did not provide data on total revenue. Using the $\pm 50\%$ standard apparently developed by the parties and on the basis of the information produced by the City (which differs at points from the information produced by the Union), it would appear that the comparables proposed only by the City are appropriate, even though I am troubled by the

City's failure to provide information with respect to total revenue.

4. Many of the Comparisons Seem Arbitrary

Since the parties do not wholly agree about which demographic considerations are appropriate (e.g., total revenue or sales tax revenue) and since much of the data is derived from different sources of information, many of the cited comparisons may seem arbitrary.⁹

5. The Data Is Not Strictly Comparable

There are several problems with this data.

First, the City used comparative salary data in place as of January 1, 1995, the start of the City's fiscal year and the day upon which salary increases occurred. As a result, many of the wages reported by the City in the comparable jurisdictions resulted from wage increases effective May 1994. Taking the position that "1994 salary figures are not appropriate for comparison in these proceedings" (Un. Brief, 40), the Union focused on "fiscal year" increases and compared increases provided in comparable jurisdictions during the 1995-96 fiscal year, primarily on May 1, 1995.

Second, as noted, the demographic data presented by the parties, including such a basic item as Batavia's population, frequently differed. The City's estimate of Batavia's population exceeded the Union's estimate by 3,160.

⁹As Dr. James Trefil, professor of physics at George Mason University, wrote, "...we make assumptions and use them in place of certain knowledge. All too often..., this simple fact gets lost..." Trefil, *A Scientist in the City* (New York: Doubleday, 1994), 148.

I concede that it is neither good science nor good math to combine Union and City comparables into a single list. A combined list would seem inconsistent with the scientifically rigorous approach of drawing increasingly more refined conclusions from self-evident (or proved) premises; and the (different) premises relied upon by each party are neither self-evident nor proved. Nevertheless, since neither list of proposed comparables is clearly appropriate on the basis of objective standards, I consider it more reasonable and more equitable to draw comparisons from a list of all roughly comparable communities than to restrict comparisons to the communities proposed by one of the parties.

6. Conclusion

I find that the following jurisdictions are comparable to Batavia:¹⁰

Table 8. The Comparable Jurisdictions

1. Algonquin	10. LISLE
2. Bartlett	11. Romeoville
3. Bloomingtondale	12. ROSELLE
4. Brookfield	13. Warrenville
5. Carpentersville	14. West Chicago
6. Darien	15. Westchester
7. GENEVA	16. WOOD DALE
8. GLEN ELLYN	17. Woodridge
9. LaGrange	

¹⁰In a format that will be observed in the remainder of this opinion, comparables agreed to by both parties are in ALL CAPS; comparables proposed by the Union are in **bold print**; and comparables proposed by the City are outlined.

V. The Economic Issues

A. Patrol Officers' Wages

1. Union Proposal

The Union has proposed:

1. To increase Patrol Officers' wages four percent at each step January 1, 1995, January 1, 1996 and January 1, 1997.

2. To (a) increase Sergeants' wages 4% on January 1, 1995 and January 1, 1996; (b) freeze the start step on January 1, 1997; (c) increase the "after 1 year," "after 2 years" and "after 3 years" step by 4% on January 1, 1997; and (d) increase the "after 2 years" step and "after 3 years" step by 1% on July 1, 1997.

None of these proposals include pension pick-up.

The Union's final offer would yield this result for Patrol Officers:

Table 9. Impact of Union's Wage Proposal on Patrol Officers

Years of Service	01/01/95	01/01/96	01/01/97
Start	\$28,919	\$30,076	\$31,279
After 1 year	33,160	34,487	35,866
After 2 years	37,419	38,916	40,473
After 3 years	39,194	40,762	42,393
After 4 years	40,587	42,211	43,899
After 5 years	41,940	43,618	45,362
After 6 years	43,156	44,882	46,677
After 7 years	43,883	45,638	47,464

The Union's final offer would yield this result for Sergeants:

Table 10. Impact of Union's Wage Proposal on Sergeants

Years of Service	01/01/95	01/01/96	01/01/97	07/01/97
Start	\$48,026	\$49,947	\$49,947	\$49,947
After 1 year	49,042	51,004	53,044	53,044
After 2 years	49,552	51,534	53,595	54,131
After 3 years	50,058	52,061	54,143	54,685

2. City Proposal

The City has proposed to increase the wages of Patrol Officers and Sergeants 3% on January 1, 1995 and 4% on January 1, 1996 and January 1, 1997 and to pick up pension contributions, that is, to shelter employee pension contributions so that contributions are made from pre-tax earnings.

The City's final offer would yield this result for Patrol Officers (CX 78):

Table 11. Impact of City's Wage Proposal on Patrol Officers

Years of Service	01/01/95	01/01/96	01/01/97
Start	\$28,641	\$29,787	\$30,978
After 1 year	32,842	34,155	35,521
After 2 years	37,059	38,542	40,083
After 3 years	38,818	40,370	41,985
After 4 years	40,197	41,805	43,477
After 5 years	41,537	43,198	44,926
After 6 years	42,741	44,451	46,229
After 7 years	43,461	45,199	47,007

The City's final offer would yield this result for Sergeants (CX 78):

Table 12. Impact of City's Wage Proposal on Sergeants

Years of Service	01/01/95	01/01/96	01/01/97
Start	\$47,564	\$49,467	\$51,446
After 1 year	48,571	50,514	52,534
After 2 years	49,075	51,038	53,080
After 3 years	49,577	51,560	53,622

Realizing that the differences between the data presented by the Union and the City make precise comparisons difficult, I shall, to the extent possible on the basis of the evidence produced, compare Batavia to the comparable cities. Most of the wage scales referred to by the Union went into effect May 1, 1995 and most of the wage scales referred to by the City went into effect May 1, 1994. The Union's comparables would thus seem overstated to some degree, the City's understated.

3. Positions of the Parties

(a) The Union

1. The "external comparables support adoption of the Union's final wage offer" (Un. Brief, 40). City of Batavia Patrol Officers receive their annual wage increase on January 1, the first day of the City's fiscal year; in the Union's comparables, wages went into effect on the first day of the 1995-96 fiscal year in each jurisdiction, primarily on May 1, 1995. The City's comparables are inappropriate because, among other reasons, they compare wages that "took effect on May 1, 1994" (Un. Brief, 40).

2. "Batavia is currently behind at every step of the pay plan except for the 2nd and 3rd years" (Un. Brief, 41).

3. The "Employer's final offer of 3% leaves the Batavia patrol officers behind their counterparts during the starting year, 1st year, 6th year, 7th year and Top Pay steps" and the "Union's final offer comes much closer to the average pay of

the comparable jurisdictions at the remaining steps" (Un. Brief, 41).

4. In 1996, even though both "offers place Batavia behind the average of the jurisdictions at the Start, 1 year, 5 year, 6 year and 7 year step, the negative impact of the Employer's 3% offer becomes even more obvious" (Un. Brief, 42).

5. Knowing that "there is no external justification for leaving the Patrol officers behind the comparable jurisdictions," the City "devised a plan" to "make up the wage difference with the comparable jurisdictions using the employees' own money..." (Un. Brief, 43). However, "the City itself never raised the issue of a pension pick-up plan until very late in the negotiations—in mediation and in an 'off the record' context" (Un. Brief, 44). "Interest arbitration is simply not the forum for considering an issue which has yet to be bargained, yet alone an issue that has the potential negative impact upon the Union during future negotiations" (Un. Brief, 45). This is especially true under a statute that permits a municipality to pick up contributions "by a reduction in the cash salary of the police officer or by an offset against a future salary increase" (Un. Brief, 45).

6. With respect to the City's proposed pension pickup, "all that is occurring is that the employees' pension contribution is taken out of their check *before income tax is calculated*" [italics in original], which "will have no immediate

effect upon the employees' gross income" (Un. Brief, 46). The "comparables do not support an award which adopts a pension pick-up plan" (Un. Brief, 47).

(b) The City

1. The "interest and welfare of the public dictate the selection of the Employer's final offer" (City Brief, 26). The "City's revenues are not growing as fast as its expenditures, and expenditures for police wages are growing at an even faster pace. As a result, the City's cash position has deteriorated in recent years to levels way below the recommended 25% of General Fund" (City Brief, 26). To "keep up with the increased demands for public services which have come with continual growth in population," the City has had to hire more police officers and firefighters (City Brief, 26). The "City cannot both increase employment levels to meet rising demands for service and grant the larger wage increases proposed by the Union..." (City Brief, 26). The "interest and welfare of the public is best served...by wage adjustments that will permit the City to hire additional police officers and other employees so that it can meet increased service demands—wage adjustments that also happen to be in line with (or ahead of) current and projected rates of inflation, comparable public and private sector settlements, and the settlements reached with other City employees" (City Brief, 26-7).

2. "Relative to market, including benchmark positions among the non-represented employees, in the IBEW unit, in the

IAFF unit, as well as patrol officers and sergeants," Batavia is "almost consistently in the bottom half of the market as compared to the comparables," except that "as of January 1, 1995, using the City's final offer, the top base pay for patrol officers will place Batavia third from the top in the list of ten comparables, and 1.77% over the mean for the group" (City Brief, 27). "This position...is exactly where the parties themselves placed patrol officer wages in 1992..." (City Brief, 28).

3. "Internal equity supports...the City's final offer" (City Brief, 29). The "City's offer of 3%, 4% and 4% is the same three-year package ratified by the IBEW for their new three-year contract, is the same as the new three-year salary ordinance for non-represented employees, and is the same as the City's final offer in the firefighters interest arbitration proceeding" (City Brief, 29). In the "last contract, the patrol officers received the same pay increases as...the IBEW bargaining unit...and non-represented employees" (City Brief, 29).

4. "The cost of living supports the City's offer" (City Brief, 30). "During the time period these parties have been engaged in collective bargaining, patrol officers have received cumulative increase from 1988 through 1994 of 34.1% as compared to a 27.1% increase in the CPI-U, for a 7% real gain over inflation" (City Brief, 30). The City's offer is "ahead of projected rates of inflation as measured by the CPI..." (City Brief, 30). The "Consumer Price Index, used by

the Department of Labor, Bureau of Labor Statistics, to calculate the rate of inflation, overstates the true cost of living" (City Brief, 30).¹¹

5. The "City's offer is supported by settlement rates in comparable jurisdictions" (City Brief, 30). "In 1994, the City's 5% patrol officer increase was the highest among all the comparables by far, with the next highest increase being 4%...granted by three of the comparables" (City Brief, 30). The "City's proposal of 3% is in line with the comparables, particularly when you factor in the economic value of the pension pick-up component.... Of those reporting 1995 settlements, one other community granted a 3% increase, one was at 3.5%, two were at 4.0% and one reported a 4.85% increase. The economic value of the pension pick-up is equivalent to an extra 3.5% increase in gross pay (using a 28% marginal tax bracket—a conservative assumption." (City Brief, 30.)

6. "The City's offer is supported by area private sector collective bargaining agreement settlements" (City Brief, 31). The "increases received during the last contract far outstripped the private sector negotiated raises in the area during the 1992-94 time frame" and the City's 3% proposal for 1995 "is close to the reported 3.2% and 3.3% average raises for private sector manufacturing and service companies..." (City Brief, 31).

¹¹The City cited the testimony of Federal Reserve Board Chairman Alan Greenspan before the House and Senate Budget committees on January 10, 1995 and a Congressional Budget Office paper published October 21, 1994 in the Daily Labor Report (CX 44).

7. Factoring in step increases but without regard to the pension pick-up, "patrol officers as a group will receive a 6.84% increase in 1995, a 7.01% increase in 1996 and 5.86% increase in 1997 under the City's offer, for a cumulative three-year increase of 21.03%" (City Brief, 31). The FOP offer would produce "first year raises of 8.22%, a 7.37% increase in 1996 and a 5.90% increase in 1997, for a cumulative three-year increase of 23.05%" (City Brief, 31-2). "The cumulative difference between the Union and City final offers (23.05% versus 21.03%) is more than made up for by the City's pension pick-up proposal," a proposal "supported by the practice in comparable jurisdictions" (City Brief, 32). "The pension pick-up proposal is projected to increase [an] employee's take home pay by an average of over \$1,000 per year, or an average 2.52% increase in net pay. This is equivalent to a 3.5% increase in gross pay, using a 28% tax bracket..." (City Brief, 32).

8. If, as contended by the Union, the pension pick-up proposal wasn't bargained, "it was not the City's fault. The City proposed this in March, 1995, more than four months before the interest arbitration hearing" (City Brief, 32-3). Further, the City has "never proposed a salary reduction, in 1995 or in the future, as a quid pro quo for the pension pick-up plan" (City Brief, 33).

4. Discussion and Findings

Each case is different, and each case calls for analysis of factors peculiarly unique to the evidence presented and

the arguments made. In this case, the following factors must be reviewed closely: (1) comparability; (2) the base date from which changes are to be measured; (3) cost of living; (4) determining whether "mean" is the appropriate standard of comparison; and (5) determining whether the City's pension pick-up proposal was a legitimate bargaining tactic.

(a) Comparability

As I have not chosen either set of comparables *in toto*, I have set up a difficult task, compounded by the fact that (1) the parties have relied on different "base years" for comparison purposes; and (2) the City examines only Starting Base and Top Base wages while the Union examines wages at every step of the schedule. Nevertheless, let us see what we can learn from a mix-and-match comparison of Patrol Officer wages in the comparable jurisdictions.

Table 13. Comparison of 1995 Patrol Officer Salaries in
Batavia to 1995 Patrol Officer Salaries
in Comparable Jurisdictions

Juris	Eff Date	Start Salary	After 1 Year	After 2 Yrs	After 3 Yrs	After 4 Yrs	After 5 Yrs	After 6 Yrs	After 7 Yrs	Top Pay
Algonquin	5/1/95		In Negotiations							
Bartlett	5/1/95	29,976	Merit to Top Pay							46,133
Bloom'dale	9/1/95		In Negotiations							
Brookfield	3/1/95	24,527	30,354	33,580	35,282	37,911	38,282	41,873	41,873	41,873
Car'ville	1/1/95	32,160								41,196
Darien			In Negotiations							
GENEVA	5/1/95	30,139	30,139	32,718	35,152	37,606	39,874	42,078	44,221	44,221
GLEN ELLYN	5/1/95	30,015	31,729	33,571	35,564	37,578	39,720	42,194	42,194	42,194
LaGrange	5/1/95	30,365	31,580	32,843	34,157	35,523	36,944	38,422	39,959	43,352
LISLE	5/1/95		In Negotiations							
Rom'ville	1/1/95	28,914								42,160
ROSELLE	5/1/95	31,926	34,360	36,080	37,882	39,776	41,765	43,852	43,852	43,852
War'ville	5/1/95	27,985	Merit to Top Pay							38,838
W'Chester	5/1/95	27,731	31,522	35,712	37,740	39,366	43,980	44,280	44,280	44,580
W.Chicago	1/1/95	27,500	Merit to Top Pay							41,642
WOOD DALE	1/1/95	28,470	In Negotiations							42,127
Woodridge	1/1/95	30,035								46,384
BATAVIA	1/1/94	27,807	31,885	35,980	37,687	39,026	40,327	41,496	42,195	42,195
Mean w/o Batavia		29,211	31,614	34,084	35,963	37,960	40,094	42,117	42,730	42,966
Variance from Mean		-1,404	271	1896	1724	1066	233	-621	-535	-771
Un. Offer 4% 1/1/95		28,919	33,160	37,419	39,194	40,587	41,940	43,156	43,883	43,883
Variance from Mean		-292	1,546	3,335	3,231	2,627	1,846	1,039	1,153	917
City Offer 3% 1/1/95		28,641	32,842	37,059	38,818	40,197	41,537	42,741	43,461	43,461
Variance from Mean		-570	1,228	2,975	2,855	2,237	1,443	624	731	495

Insufficient information exists to make reliable comparisons for 1996 and 1997. Among all the comparable jurisdictions, data was available for 1996 only for Glen Ellyn and Warrenville (a merit-pay jurisdiction) and for 1997 only for Glen Ellyn. The remaining comparable police departments were engaged in contract negotiations respecting 1996 and 1997. Accordingly, with regard to these "out years," I must place primary emphasis on standards other than comparability.

Moreover, by comparing Batavia's January 1994 wage schedule to wage schedules in comparable jurisdictions whose

effective dates ranged from January to May 1995, the Union would seem to understate wages in Batavia relative to wages in comparable jurisdictions.

(b) Appropriate Base Date

The parties do not agree on the appropriate base date from which changes are to be measured. I agree with the Union that the date of the last wage increase is the appropriate base date—the date from which changes in the cost of living should be measured. As professors Elkouri and Elkouri point out, “generally, the date of the last [interest] arbitration award or of the parties’ last wage negotiations is used as the best date.”¹²

In an unpublished 1986 award I wrote:

As arbitrator Benjamin Aaron pointed out in *Los Angeles Transit Line*, 11 LA 118, 130 (1948):

[I]n determining the amount of wage increase necessary to offset a rise in living costs the general practice is to measure only the change in living costs occurring after the parties’ last wage negotiation, since there is a presumption that all pertinent factors were considered in the previous bargaining.

It is not my responsibility to correct previously negotiated wage inequities, if any. My concern is the current agreement. The parties had control over salaries previously negotiated. They alone decided whether the cost of living was a pertinent consideration in their deliberations; and if so, whether the agreed-upon salaries would meet, exceed or fall below cost-of-living standards. I must presume that in the past the parties reached agreement in good faith and considered the factors they believed pertinent.

¹²Frank Elkouri & Edna Asper Elkouri, *How Arbitration Works*, 4th ed. (Washington, D.C.: The Bureau of National Affairs, 1985), 821.

(c) Cost of Living

The cost of living is critical.¹³ The City noted that from 1988 through 1994 the CPI-U went up 27.1% and patrol officer wages went up 34.1% (CX 39 & 40). The Union employed a different approach. Using January 1994, the date of the last wage increase, as its "base date," the Union computed the "constant dollar" (1982-84 = 100) of a top-step patrol officer wage as \$28,861 in January 1994 and \$28,074 in January 1995.¹⁴ Thus, the Union argues, in terms of "constant dollars," top-step patrol officer wages went down \$787 or 2.73% from January 1994 to January 1995. The "additional loss to the cost of living" (Un. Brief, 28) from January 1994 to September 1995, the Union would suggest, was \$1319 or 4.57%. Both parties have proposed a 3% increase in 1996 and 1997. While this concurrence does not wholly offset the compounding effect of carrying over the lower or higher 1995 wage

¹³Both parties relied on the Consumer Price Index for all Urban Consumers, U.S. City Average (1982-84 = 100), known as the CPI-U, published by the Bureau of Labor Statistics of the U.S. Department of Labor. "BLS publishes CPIs for two population groups: (1) A CPI for All Urban Consumers (CPI-U) which covers approximately 80 percent of the total population; and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups which historically have been excluded from CPI coverage, such as professional, managerial and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force." Statistical Abstract of the United States: 1995 (Washington: U.S. Department of Commerce, September 1995), at 489.

¹⁴The CPI-U defines the period from 1982 through 1984 as the base period or the period during which the value of a dollar was equal to 100. Thus, the "constant dollar" value of a salary of \$42,195 in January 1994 was \$28,861 ($\$42,195 \div 1.462$) (the CPI-U index as of 1/1/94). In other words the cost of living since the "base period" has gone up 46.2%. Thus, $\$28,861 \times 1.462 = \$42,195$.

increase to 1996 and 1997, it does tend to temper that effect.¹⁵

Many scholars argue that the BLS cost-of-living indices overstate inflationary changes. Nevertheless, I cannot ignore the fact that the only reasonably accurate yardstick available to the parties, and the one almost universally relied upon by unions, employers and arbitrators, is one of the BLS cost-of-living indices, primarily the CPI-U relied on in this case. In recent years, inflation, as measured by the CPI-U, has been relatively modest, increasing 2½ to 3 percent annually. The January 1994 CPI-U was 146.2. It went up 4.1 points, or 2.8%, to 150.3 in January 1995 (UX 4). In the 12-month period ending February 1996, the CPI-U rose 2.7%.¹⁶

(d) The Mean as the Proper Point of Comparison

In the first year of the new contract, calendar year 1995, both offers would raise the wages of Batavia Patrol Officers above the mean at every step of the salary schedule except starting salary. And while neither party has explicitly argued that "mean" is the appropriate benchmark, no other point of reference was suggested. Indeed, both parties have relied on the "mean," implying, if not stating directly, that the "mean" wage among the comparable communities is their mutual objective.

¹⁵Annual 4%/4%/4% increases result in a compounded increase of 12.49%. Annual 3%/4%/4% increases result in a compounded increase of 11.4%.

¹⁶See "CPI-U Detailed Report, Data for February 1996" (Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, April 1996): at 1.

Whether "mean" is an appropriate goal must depend to some degree on the communities that make up the aggregate from which the "mean" is derived. My assumption that the mean is an appropriate reference point is thus confounded because the "comparables" selected by the parties do not correspond. Nevertheless, since neither party has suggested that "mean" is an inappropriate reference point with respect to any mix of comparables, I shall make use of it.

(e) The Pension Pick-Up Proposal

Another factor that warrants consideration is the City's proposal on "pension pick-up" or the "tax sheltering of contributions" (CX 78), which the City suggests, is "worth at least the equivalent of another 3.5% increase when implemented..." (City Brief, 24). While I understand the Union's reluctance to bargain over the City's pension pick-up proposal, it is not critical that sheltering employee pension contributions costs the City nothing. The Union argues that this proposal was not advanced during negotiations and that "this was something that was owed to them and that therefore the City should not be allowed to use it as a bargaining tool" (Tr. 255). The evidence established, however, that the pension pick-up proposal was advanced by the City during negotiations (Tr. 251); and even though pension pick-up is not a cost item and thus not an appropriate "bargaining chip" from the Union's perspective, it is a cost-saving item that contributes to the employee's take-home pay. It may seem unfair for the City to insist on bargaining over a cost-free

item, but I cannot disregard the fact that the City was not legally required to implement a pension pick-up; and that, in pursuing a bargaining strategy, an employer may choose to use any lawful subject of bargaining as a "bargaining chip." It is not the job of an interest arbitrator to monitor bargaining tactics and strategies but to select that proposal that most nearly conforms to standards set forth in the Act.

5. Conclusion

On balance I consider the City's proposal of a 3%/4%/4% increase, coupled with pension pick-up, appropriate. First, this offer is consistent with cost-of-living increases during the relevant period. Second, with respect to the comparability data given to me for calendar year 1995, both proposals would place Batavia police officers above the mean at every point of the salary schedule but the starting point:

Table 14. Variance of Both Proposals from the Mean

	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yrs	Top
Un. Offer 4% 1/1/95	28,919	33,160	37,419	39,194	40,587	41,940	43,156	43,883	43,883
Variance from Mean	-292	1,546	3,335	3,231	2,627	1,846	1,039	1,153	917
City Offer 3% 1/1/95	28,641	32,842	37,059	38,818	40,197	41,537	42,741	43,461	43,461
Variance from Mean	-570	1,228	2,975	2,855	2,237	1,443	624	731	495

In addition, as the City points out, its proposal maintains a degree of internal parity. And although I do not ordinarily consider internal comparisons as significant as external comparisons among similar employees in comparable jurisdictions, this factor warrants some consideration, particularly if the parties have made an effort to maintain internal parity over the years.

I adopt the City's Patrol Officers wage proposal.

B. Sergeants' Wages

I adopt the City's proposal on Sergeants' wages for essentially the same reasons that I have adopted its proposal on Patrol Officers' wages. Here, again, there was a paucity of information available with respect to the wages of Sergeants in comparable jurisdictions; but the City's proposal was slightly more consistent with recent advances in the cost of living and no reason was advanced to award Sergeants a greater wage increase than Patrol Officers.

I realize that by the end of the term of the contract under discussion, most Sergeants will be at the final step of the pay scale. If this lockstep presents a problem after 1998, the parties may deal with it then. I shall not attempt to control events outside my purview—beyond the period of the contract under consideration.

C. Costs of Dependent Health Insurance

The Union proposed:

Table 15. Union Health Insurance Proposal

<u>1/1/95</u>	<u>1/1/96</u>	<u>1/1/97</u>
50% of cost paid by Employee (No change)	40% of cost paid by Employee	30% of cost paid by Employee

The City proposed to maintain a 50% employee contribution rate throughout the term of the proposed three-year contract.

1. Positions of the Parties

(a) The Union

1. An "analysis of health insurance benefits" provided to police officers in comparable jurisdictions shows that the average employee contribution among comparable communities was \$8.79 per month for single insurance coverage and \$54.20 per month for family insurance coverage (Un. Brief, 30-32). Batavia police officers contribute nothing toward single coverage and amounts ranging from \$123.97 to \$149.66 per month for family coverage (Un. Brief, 31-2).

2. The annual cost of family coverage as a percentage of base salary in Batavia may be expressed as follows (Un. Brief, 33):

Table 16. Patrol Officers: Cost of Family Coverage: Dreyer Plan

Annual Top Base Salary	Annual Cost of Family Coverage	Percent of Base Salary
\$42,195	DHMO: \$1613.88	3.82%
	PBA: \$1487.64	3.53%

3. Under cover of "internal comparability," the City is attempting to prevent any change in insurance benefits (Un. Brief, 33). The City's likely argument that arbitration is not the proper forum for a "breakthrough" in the type or magnitude of benefit and that any such breakthrough "will have a so-called ripple effect in the City of Batavia" is without merit (Un. Brief, 33-4). "Many arbitrators have found that where there is sufficient external comparable evidence in support of the sought after change it is appropriate to

award a breakthrough." See *City of Bloomington & Protective Assn.*, S-MA-89-120 (Larney); *Will County Board/ Sheriff of Will County and AFSCME Local 2961*, S-MA-60-7; (Nathan 1988) (Un. Brief, 34-5). "If the City's arguments are found to be persuasive neither this Arbitrator nor any other arbitrator would be able to render an award that disturbed the status quo" (Un. Brief, 38). See *City of Rock Island/Illinois FOP*, S-MA-93-119 (Eglit 1995).

4. The "employee share of dependent health insurance costs have been eating up a large portion of any negotiated or awarded wage increases" (Un. Brief, 36).

Table 17. Patrol Officers: Insurance Cost Increase as Percentage of Salary Increase: Dreyer Plan

Year	% Salary Increase	% Salary Increase Consumed by Ins. Cost Increase
1991	5.00%	2.44%
1992	6.00%	7.3%
1993	5.00%	5.0%
1994	5.00%	1.9%

Table 18. Patrol Officers: Insurance Cost Increase as Percentage of Salary Increase: PBA Plan

Year	% Salary Increase	% Salary Increase Consumed by Ins. Cost Increase
1991	5.00%	1.51%
1992	6.00%	6.5%
1993	5.00%	6.1%
1994	5.00%	4.6%

Table 19. Sergeants: Insurance Cost Increase as Percentage of Salary Increase: Dreyer Plan

Year	% Salary Increase	% Salary Increase Consumed by Ins. Cost Increase
1991	5.00%	2.24%
1992	9.00%	4.5%
1993	7.00%	3.2%
1994	5.00%	1.7%

Table 20. Sergeants: Insurance Cost Increase as Percentage of Salary Increase: PBA Plan

Year	% Salary Increase	% Salary Increase Consumed by Ins. Cost Increase
1991	5.00%	1.39%
1992	9.00%	4.0%
1993	7.00%	3.9%
1994	5.00%	4.0%

Thus, "police officers are caught in a cycle that will never permit them to catch up with other jurisdictions. Their dependent health insurance costs are out of date, and they are behind in wage rates. A portion of every wage increase they are given is automatically consumed" (Un. Brief, 38).

(b) The City

1. "Internal equity dictates" rejection of the Union's proposal (City Brief, 39). For at least 16 years, City employees have paid 50% of the cost of the dependent component coverage (City Brief, 39). The employee portion for the PBA plan is \$123.97 and \$134.00 for the Dreyer plan (City Brief, 39). Firefighters and IBEW, have agreed "to maintain the 50% premium contribution for the next three years, "as is true of the...non-represented employees" (City Brief, 39).

2. For "the police unit alone," the Union's "proposed break-through" would cost "approximately \$15,780 during the

term of the agreement" (City Brief, 39). "Because dependent insurance cost sharing has historically been a uniform City-wide policy, any break-through in this unit would undoubtedly have a ripple effect in other employee units, with a potential City-wide cost increase of over \$103,125..." (City Brief, 39-40). With "reduction in the cost-sharing formula for dependent coverage, more City employees are likely to select dependent coverage," increasing costs even more (City Brief, 40).

3. Seventeen of thirty-two bargaining unit employees "are on the City's dependent insurance plans"; the remaining fifteen on "employee only coverage [have] by far the best deal among the comparables" (City Brief, 40-1).

4. "When employee-only and dependent coverage costs are added together, Batavia employees are paying only 30% of the cost of insurance coverage, whereas police officers in Geneva pay 36% of the total insurance cost, and most of the comparables have employees paying between 10% and 17% of the total cost, with only two comparables falling below the 10% mark" (City Brief, 41). The "actual per employee cost of insurance in the Batavia police unit is \$73.03, well below the \$110.78 average per employee cost in Geneva, and not dramatically above...the mean cost per employee of \$49.66 for the set of comparables for which complete census information was obtained..." (City Brief, 41).

5. The difference in "average monthly cost per employee" may "be more than made up in the traditional indemnity plan

because...Batavia's plan [is] the cheapest to use of all the comparables" (City Brief, 41-2). Batavia's \$100 deductible for single coverage is equaled by one other comparable; the rest have deductibles ranging from \$150 to \$250 per year. Batavia's \$300 family deductible is matched by one other comparable; others range from \$400 to \$750 per year (City Brief, 42).

6. Out-of-pocket maximums "for the traditional indemnity plan in Batavia (which is a combination of the deductible and co-insurance payments) is the lowest among the comparables—matched only by one other" (City Brief, 42). The "out-of-pocket maximum for single coverage in Batavia is \$500; other than West Chicago...at that same level, all other comparables range from \$700 to \$1,500 per year" (City Brief, 42). The "family out-of-pocket maximum in Batavia is \$1,500; other than West Chicago...at that same level, all other comparables range from \$1,600 to \$4,500 per year" (City Brief, 42). In effect, the higher premiums paid by Batavia police officers insulate them "from the much higher individual risk of claims that are imposed by the plan designs of the comparables..." (City Brief, 42).

7. "Relative to health costs generally," increases in both the HMO and the traditional indemnity plan "have been relative moderate since 1991" (City Brief, 42). The Dreyer HMO increased 3.3% in 1991, 12.07% in 1992, 6.4% in 1993, 2.64% in 1994 and 3% in 1995 (City Brief, 42). The indemnity

plan increased 2.32% in 1991, 12.27% in 1992, 9.07% in 1993 and 6.57% in 1994 (City Brief, 42-3).

2. Discussion and Findings

Because of many differences, tangible and intangible, among health-insurance plans, including differences in coverage, out-of-pocket costs (deductibles, co-payments and maximum limits), claims adjustment policies and practices, and health provider acceptability, it is difficult to compare different insurance plans. In the end, an inexpensive policy that does not cover the cost of treating a particular catastrophic illness could bankrupt the insured employee.

Nevertheless, review of the available comparisons is of interest, if not critical. Table 20 is derived from the Union's exhibits; Table 21 is derived from the City's exhibits (CX 53, 54; UX 7, Chart 1).

Table 21. Comparisons of Health Insurance Costs: Information Provided by Union

Jurisdiction	Single Insurance Employee Contribution (Total Percentage and Dollars Per Month)	Family Insurance Employee Contribution (Total Percentage and Dollars Per Month)
Algonquin	0%	NA
Bartlett	10% \$16.98	10% \$48.18
Bloomingtondale	PPO: 21.27%; \$44.82 HMO: 10%; \$13.46	PPO: 16.31%; \$86.62 HMO: 10%; \$39.76
Brookfield	5% \$7.78	5% \$23.13
Carpentersville	NA	NA
Darien	0%	0%
GENEVA	10% \$14.62-15.92	50% \$222.03-\$238.84
GLEN ELLYN	12% \$27.43	12% \$63.96
LaGrange	0%	6.23% \$27.80

LISLE	0%	25% \$79.28
Romeoville	NA	NA
ROSELLE	0%	20% Group Plan: \$72.84 HMO: \$62.64
Warrenville	0%	0%
Westchester	0%	HMO: 0% PPO: \$30 thru 1996
West Chicago	NA	NA
WOOD DALE	0%	10% PPO: \$77.85 HMO: \$49.83
Woodridge	NA	NA
BATAVIA	0%	50% DHMO: \$134.49 PBA: \$123.97 HMO: \$149.66
Union Proposal	0%	50% yr 1; 40% yr 2; 30% yr 3

Table 22. Comparisons of Health Insurance Costs:
Information Provided by City

Jurisdiction	<u>Single Insurance</u>	<u>Family Insurance</u>
	<u>Employee Contribution</u> Total Percentage Dollars Per Month	<u>Employee Contribution</u> Total Percentage Dollars Per Month
Algonquin	NA	NA
Bartlett	NA	NA
Bloomington	NA	NA
Brookfield	NA	NA
Carpentersville	4% \$5.00	13% \$35.00
Darien	NA	NA
GENEVA	10% \$14.62	50% \$134.30
GLEN ELLYN	12% \$31.96	12% \$39.55
LaGrange	NA	NA
LISLE	0%	25% \$79.28
ROMEOVILLE	0%	7% \$21.00
ROSELLE	0%	25% \$78.91
Warrenville	NA	NA
Westchester	NA	NA

West Chicago	0%	25% \$80.32
Woodridge	0%	21% \$78.00
WOOD DALE	0%	10% \$38.36
BATAVIA	0%	50% DHMO: \$134.49 PBA: \$123.97 HMO: 149.66
Union Proposal	0%	50% yr 1; 40% yr 2; 30% yr 3

The annual cost of dependent coverage in Batavia is \$1,487.64 or 3.4% of the top base salary of \$43,461 for a second-place ranking among the agreed-upon comparables (CX 55). The lowest among the comparables is \$460.32 or 1.1% of \$42,127 in Wood Dale; the highest is \$1,781.04 or 4.2% of \$42,120 in Geneva (CX 55).

As noted, it is difficult to compare the elements of different insurance plans and to determine their "true cost." The "true cost" of insurance borne by different employees under the same plan may differ depending upon the illnesses covered and insurance needs at a given time. Despite these puzzling and unpredictable factors, there seems little doubt that when compared to the comparable jurisdictions the "premium cost" of insurance for Batavia police officers is high. As insurance and medical costs generally seem to increase each year at a rate greater than increases in other basic living costs, it seems reasonable to ask whether it is equitable for police officers to continue to bear the same inflationary burden they had assumed in the past. I think not.

The City insists that the Union's "breakthrough" proposal is too radical. I discussed the issue of "breakthrough" in *City of Markham*, S-MA-95-63 (1995) and in *Village of Skokie*, S-MA-93-181 (1995). In *Village of Skokie*, at page 30, I wrote:

In *City of Markham...*, I cited *Will County Board*, S-MA-__-__ (Nathan 1988) for this principle:

In the present case, the Employer seeks to make substantial changes in the language of the Agreement. ... The well-accepted standard in interest arbitration when one party seeks to implement entirely new benefits or procedures (as opposed to merely increasing or decreasing existing benefits) or to markedly change the product of previous negotiations, is to place the onus on the party seeking the change.

Clearly, as arbitrator Nathan implies, an arbitrator should be circumspect when looking at a radically new proposal, but if such a proposal is consistent with the standards set forth in the Act and if 'interest arbitration is to have its own independent integrity, the arbitrator must be able to operate from a position of flexibility (even though, of course, he or she is constrained by the parties' final offers).' *City of Rock Island & FOP*, S-MA-93-119 (Eglit 1995), at 57.

In the end, I held, at page 32, that "Because the change sought is merely a change in the level of benefits, not in the structure, design or nature of the longevity plan, the presumed breakthrough is not necessarily inappropriate as 'too radical.'"

Here, too, there was no "breakthrough." The change sought is a change in the level of benefits, not a change in the structure, design or nature of the insurance program.

I adopt the Union's insurance proposal.

D. Vacation Selection

1. The Proposals

The City proposed to amend the Agreement to (1) restrict police officers from scheduling vacations on the day of the City's annual fireworks show (on or about July 4) and Loyalty Day (the first Sunday in May); and (2) restrict Utility Officers from scheduling a vacation during the 28-day duty cycle. The Union is opposed to these proposals.

The City's proposals read as follows:

1. The sixth paragraph (Utility Officer) of Section 1 of the "Hours of Work and Overtime" clause of the 1992-94 contract is to be amended by the addition of the following sentence:

Members assigned as the "utility officer" are not allowed to request vacation time during that shift assignment, except as may be specifically authorized by the Chief in his discretion for a limited number of days due to extraordinary circumstances.

2. Revise Section 2 of the Vacation Article of the 1992-94 contract to read as follows (deletions are struck out; additions are in **bold print**):

2. Vacation Selection. Employees shall select their vacations according to seniority, with all vacations chosen by March 1 of each year if seniority is to apply. The vacation selection in the first round shall not exceed two (2) weeks in duration, with subsequent selections made in successive rounds. All weeks of the calendar year shall be eligible for vacation selection, but no employee shall be granted more than one (1) week's vacation during the last two (2) weeks of December. No vacation time will be allowed on Christmas Eve, or Christmas Day, **Loyalty Day (first Sunday in May) and on the day of the City's annual fireworks show (normally on or near July 4), except as may be specifically authorized by the Chief in his discretion for extraordinary**

circumstances. The selection process shall remain in effect during the term of this Agreement.

2. Positions of the Parties

(a) The City

1. The City's proposed changes "are justified by compelling operational considerations, as well as internal and external comparables" (City Brief, 44). The "proposed remedy is narrowly tailored to satisfy the City's minimal operational needs as articulated in the negotiations and at the arbitration hearing" (City Brief, 44).

2. Police Chief Robert Warner outlined the "compelling operational considerations that require that all available police officers work on Loyalty Day...and on the July 4 fireworks celebration day," considerations not disputed by the Union at the hearing or in negotiations (City Brief, 44-5).

3. A Patrol Officer is assigned to the position of Utility Officer once every 18 months for a 28-day work period; a Utility Officer works a "power shift" from 7:00 P.M. to 3:00 A.M., Tuesday through Saturday (City Brief, 45). To avoid calling in or holding over officers at overtime rates, the Utility Officer fills in for an absent patrol officer; "it is self-defeating to the whole idea of the utility officer position to allow employees to take vacation time during the 28-day tour of duty when they are assigned as utility officer" (City Brief, 45).

4. The Union has never attempted to eliminate the Utility Officer position, which has been in place since 1983, and agreed to in contract negotiations in 1989 and 1992 (City

Brief, 45). If the parties agree that this assignment should be retained, "it only makes sense to limit the use of vacation time by the utility officer" (City Brief, 45).

5. The Utility Officer "issue came to the fore as a result of a grievance filed in 1994 by an officer who was told he could not take vacation on July 4, and by an increasing use of vacation by employees on July 4, Loyalty Day and while serving as utility officer (especially in the summer and around holidays, when the utility officer is most needed)" (City Brief, 45-6).

6. "The City's proposal is supported by external comparables" (City Brief, 46). Batavia "is the only one of the comparable communities that does not have the right to limit the scheduling of vacation days or to cancel previously scheduled vacations for operational needs," and "Batavia is asking only for limited contract language that enables it to deal with the precise scheduling issues...identified as a growing problem" (City Brief, 46).

7. "The City's proposal is supported by internal comparables" (City Brief, 47). "Every other contract of the City gives management the right to schedule vacations according to operational need" (City Brief, 47).

(b) The Union

1. The "current contractual restrictions on vacation selection for Christmas Day and Christmas Eve were suggested by the bargaining unit employees when the initial collective

bargaining agreement was negotiated," but the "City now seeks to expand upon those restrictions..." (Un. Brief, 69).

2. The "admitted reason for [the City's] proposed change in vacation selection" was a grievance filed "when a member was denied vacation on the annual fireworks day" (Un. Brief, 69). Although the "Employer has granted time off to several employees during these City holidays," such requests for time off have not "increased to such an amount that the City does not have enough manpower on the streets to handle the crowds..." (Un. Brief, 69).

3. The trend toward an increasing number of vacation requests around the Fourth of July and Loyalty Day and during an officer's tour as Utility Officer is not "out of the ordinary" (Un. Brief, 70). "The officer with a family and children may only be able to accommodate a vacation during the summer when the children are out of school" and "many people travel longer distances to visit with relatives during the holiday seasons or during the summer season" (Un. Brief, 70).

4. The "Utility Officer concept has been functioning in Batavia without any problems for some time now" and the vacation selection provisions of the Agreement "have served the parties well over the last two contract terms" (Un. Brief, 71).

3. Background Information

(a) Loyalty Day and the Fourth of July

Loyalty Day and the fireworks display on the Fourth of July are annual events. On Loyalty Day, "Batavia's May Day," "there's a big parade, a big celebration, and the City really needs its whole Police Department to manage that affair" (Tr. 284). More than 20,000 people attend the Fourth of July fireworks demonstration, creating "huge traffic [and] crowd control issues..." (Tr. 284).

Loyalty Day "activities are centered around" a parade beginning at 1:30 in the afternoon on the first Sunday in May (Tr. 290, 293). "Up to 1700 people" march in the parade (Tr. 290). Spectators line the parade route and often sit on the street and public right-of-way (Tr. 292). To eliminate "outside traffic" the police seal off downtown Batavia from vehicular traffic, making the one downtown bridge across the river part of the parade route (Tr. 292). Forty-one officers are the "minimum necessary" needed for Loyalty Day (CX 72). In 1994, three officers were on vacation, leaving 38 officers available for assignment (CX 72). In the past, the City was either short-handed or "utilized auxiliary officers" (Tr. 291). The City has denied requests for Loyalty Day off, but no grievances have been filed to contest that decision (Tr. 293-94).

The Fourth of July fireworks display attracts a crowd "estimated upwards of 20,000" (Tr. 295). The Chief of Police calculates that "75 positions [need] to be filled before,

during and after fireworks for crowd and traffic control" (CX 75). The personnel available in 1995 included 35 full-time Batavia police officers, 7 experienced auxiliary officers, 18 rookie auxiliary officers and 6 Kane County Emergency Agency personnel for a total of 58 traffic safety and security staff (CX 75).

(b) The Utility Officer Assignment

Seven or eight Patrol Officers and two Sergeants "rotate together" through the three daily shifts every 28 days (Tr. 300-01). The Utility Officer assignment is rotated among Patrol Officers; generally any particular Patrol Officer serves as Utility Officer "once every 18 months" (Tr. 302). Most Sergeants and the "designated officer in charge" do not serve as Utility Officers (Tr. 301). Unless needed to fill a vacancy on a regular shift, the Utility Officer is assigned to a "power shift" from 7:00 P.M. to 3:00 A.M. Tuesday through Saturday (Tr. 302). With the approval of his Sergeant, a Patrol Officer may trade with some other officer on his shift for "that Utility Officer slot" (Tr. 302-03).

Police Chief Robert Warner testified that the City's Utility Officer proposal was meant to respond to "an increasing trend of officers requesting vacation while... supposed to be serving" as Utility Officers (Tr. 304-05; see CX 77). Between December 6, 1993 and July 31, 1995, the "majority of [vacation requests] are either during the summer months or just prior to the holiday season" (Tr. 306; CX 77),

the "peak vacation request times" when the City "needs this officer the most" (Tr. 306-07).

4. Discussion and Findings

The standards usually relied on by interest arbitrators are of little help in resolving the vacation-selection issues presented by the City's proposal. Not only can these issues only marginally be considered "economic issues," factors such as comparability and cost of living seem largely immaterial when reviewing contract proposals designed to deal with unique public safety problems in one particular locality. Many towns and villages in metropolitan Chicago stage parades and celebrate Independence Day with a fireworks display, but the evidence did not establish that any of the comparable communities had the police-staffing problems described by Chief Warner.

The City's proposal has economic ramifications, but it does not raise the direct economic consideration present in wage, insurance and holiday proposals. I may, however, base my decision on an understanding of the "interests and welfare of the public" and "such other factors...normally and traditionally taken into consideration." In the absence of a substantial countervailing consideration, having enough officers on hand to deal with crowds of people is in the "interest and welfare of the public" and warrants adoption of the City's proposal.

Although the evidence on point was lacking, there is a countervailing consideration. "Normally and traditionally"

salaried employees with limited vacation time and school-age children generally prefer to schedule vacations during the summer. Had the evidence demonstrated that foreclosing vacations at the beginning of May or during the first week of July (except in "extraordinary circumstances") created a hardship, I might have been persuaded to reject the City's proposal. In the absence of such evidence, I must select the proposal that seems to best promote "the interest and welfare of the public." The City demonstrated a need for sufficient police staffing on the two holidays in questions. I adopt the City's proposal.

In the interest and welfare of the public, I shall also adopt the City's proposal on vacation requests by Utility Officers—its revision of the sixth paragraph of Section 1 of the "Hours of Work and Overtime" clause. Common sense suggests that the Utility shift assignment is difficult and onerous. But it is necessary and it must be staffed. The evidence did not demonstrate that foreclosing an officer from scheduling a vacation during that shift assignment, except in "extraordinary circumstances," is such an additional burden that it outweighs the City's staffing needs.

E. Holiday Pay

The Union proposes the following amendment to the "Holidays and Personal Days" article of the Agreement (deletions are ~~struck out~~; additions are in **bold print**):

The following days shall be recognized and observed as paid holidays, for purposes of this section:

*New Year's Day	Labor Day
President's Day	Veterans' Day
Good Friday	*Thanksgiving Day
*Memorial Day	*Christmas Eve Day
*Independence Day	*Christmas Day

2. Holiday Compensation. All employees will be granted eight (8) hours of pay or comp-time for each of the above stated holidays. Employees who work ~~on the six major~~ **any of the above stated** holidays will shall receive an additional four (4) hours pay or comp-time for each holiday worked. (Major Holidays*)

3. Personal Days. Each employee shall be entitled to two (2) paid personal leave days off per year during the term of this Agreement.

The City is opposed to any change in this section of the Agreement.

1. Positions of the Parties

(a) The Union

1. "External comparability supports a change in holiday compensation" (Un. Brief, 64). Eight of the comparable jurisdictions compensate worked holidays at the rate of 2½ pay or better (Un. Brief, 64). Three "pay an additional 8 hours pay for all holidays in a lump sum at the end of the year" (Un. Brief, 65).

2. Citing *City of Naperville & FOP*, S-MA-92-98 (Benn 1994) for the proposition that "a better measure for examining the impact of this benefit (holiday pay) is to see

how this benefit affects the rankings of the comparables in terms of total income," the Union points out that the "total of salary and holiday compensation" of Batavia's top salary ranks 10th among the 12 comparable jurisdictions for which information was available (Un. Brief, 67).

3. "Additional compensation for worked holidays is a standard in the police industry and in those jurisdictions that comprise the labor market surrounding Batavia" (Un. Brief, 68).

(b) The City

1. "The Union's proposal is not supported by external comparables" (City Brief, 49). Only one comparable, Romeoville, has more than the 12 holidays offered by Batavia (City Brief, 49). The remainder offer from eight to eleven paid holidays (City Brief, 49).

2. Of all the comparables, only Geneva and Romeoville offer double and one-half time for all holidays (City Brief, 49). Only "Romeoville clearly has a better holiday compensation arrangement than Batavia, in terms of the combination of days off and compensation for those days" (City Brief, 49-50).

3. Internal comparability does not support the Union's proposal (City Brief, 50). All City of Batavia employees "have a combination of 12 holidays/personal days," and the "FOP bargaining unit...leads all other City employees in the value of its holiday benefit" (City Brief, 50).

2. Discussion and Findings

The Union has compared Batavia to jurisdictions it considers comparable respecting the top Patrol Officer salary plus holiday compensation (Un. Brief, 67):

Table 23. Holiday Pay Chart

Jurisdiction	Number of Paid Holidays	1995 Annual Top Patrol Salary	1995 Annual Holiday Compensation	Total Salary and Holiday Compensation
Algonquin	9	In Negotiations	NA	NA
Bartlett	12	\$46,133	\$5,323.04	\$51,456.04
Bloomingtondale	11	In Negotiations	NA	NA
Brookfield	11.5	\$41,873	\$4,630.19	\$46,503.19
Darien	10	In Negotiations	NA	NA
GENEVA	6	\$44,221	\$1,530.73	\$45,751.73
GLEN ELLYN	11	\$42,194	\$3,894.83	\$46,088.83
LaGrange	9	\$43,352	\$3,751.62	\$47,103.62
LISLE	9	In Negotiations	NA	NA
ROSELLE	9	\$43,852	\$3,035.91	\$46,887.91
Warrenville	11	\$38,838	\$4,107.87	\$42,945.87
Westchester	12	\$44,580	\$4,115.08	\$48,695.08
WOOD DALE	10	In Negotiations	NA	NA
BATAVIA-'94	10	\$42,195	\$3,732.63	\$45,927.63
Mean without Batavia	9.88	\$43,130.38	\$3,798.66	\$46,929.04

This chart, which does not include all the comparable jurisdictions and which fails to consider the effect of Batavia's two "personal days," shows that Batavia falls below the mean of comparable jurisdictions for which data was

available with respect to top patrol salary, top holiday pay and the sum of these figures. Since Batavia Patrol Officers have about the same number of holidays as the mean of the jurisdictions selected by the Union, the \$1000 gap between Batavia and the mean with respect to the sum of holiday pay and top salary was obviously a product of salary differences: For the same number of holidays, a \$45,000 salary yields more holiday pay than a \$40,000 salary. Annual wage increases over a three-year period should help to close that gap. In three years wage increases of 3%/4%/4% will yield a combined holiday-plus-top salary figure of \$51,166. While it must be assumed that salaries in other jurisdictions will go up, the current differences may eventually look less striking.

I do not disagree with arbitrator Benn that total compensation may be an appropriate standard for comparison, but this standard is difficult to employ in every case. "Total compensation" consists of fringe benefits in addition to wages and holiday pay (benefits such as vacation pay, pension benefits, health and welfare benefits, overtime pay, and uniform allowance), but the evidence does not always disclose every employee's total compensation. Nor do the parties always suggest in interest arbitration that all the elements of "total compensation" should be considered in determining which offer on any particular economic item is appropriate.

Because of the multiplier effect of the economic value of such benefits as paid holidays and paid vacations, the

total compensation of the highest paid officers in a bargaining unit is obviously greater than the total compensation of other officers. The evidence did not reveal the "total compensation" of the "average" (mean, mode or median) police officer in Batavia or in comparable jurisdictions. Without this information, it would seem irresponsible to make a determination on holiday pay based on Top Pay or on the assumption that holiday pay and salary are the only components of total pay or to disregard the fact that aggregate holiday pay goes up as salaries go up. Since the evidence demonstrated that the number of holidays in Batavia was slightly above the average in comparable jurisdictions and since holiday pay will rise as salaries rise, I adopt the City's holiday pay proposal.

F. Uniform Allowance

The Union proposes the following amendment to the "Uniform Allowance" article (deletions are ~~struck out~~; additions are in **bold print**):

The Employer agrees to maintain the uniform and clothing allowance system which is currently in existence.

The Employer shall provide to new employees one (1) complete set of the required uniform apparel, excluding leather goods, shoes and weapons. If the employee terminates before the completion of his probationary period, all original supplied uniforms and equipment shall be returned.

The Employer shall furnish the employees a uniform allowance of ~~four hundred fifty dollars (\$450.00)~~ **per year Five Hundred Dollars (\$500.00) effective January 1, 1995, Five Hundred Fifty Dollars (\$550.00) effective January 1, 1996, and Six Hundred Dollars (\$600.00) effective January 1, 1997 and thereafter.** Payment shall

be made to the employees on a quarterly basis beginning in January.

A one time stipend of three hundred dollars (\$300.00) will be provided to newly promoted sergeants in order to provide for the necessary additional uniforms.

The Employer shall provide a one time safety stipend of two hundred dollars (\$200.00) to each employee towards the purchase of, or replacement of a bullet-proof vest. The employee shall submit a copy of the paid receipt for the purchase, to qualify for the stipend.

The City proposes no change in this Article.

1. Positions of the Parties

(a) The Union

1. The "Union is seeking an increased dollar amount of the uniform allowance to help defray the unusually high costs that are borne by the police officers to purchase and maintain the equipment and uniforms necessary to perform their job duties" (Un. Brief, 61).

2. An officer must periodically replace worn-out uniforms and equipment, and "[t]aken together, the costs of weapons, clothing and equipment are staggering" (Un. Brief, 62). The "cost of a weapon alone can eat up an entire year's worth of uniform allowance" (Un. Brief, 62).

3. The "Union is not seeking dramatic increases in the uniform allowance" and the amounts sought "are not out of line with the uniform benefits that are provided in the comparable jurisdictions" (Un. Brief, 63).

4. Internal comparability is beside the point. No other City employee is required to carry a weapon (Un. Brief, 63).

(b) The City

1. Batavia police officers "already have an advantageous uniform allowance arrangement relative to external comparables in that it is a cash payment system, not a quartermaster system"; in Batavia, police officers "are free to use the money for any purpose" (City Brief, 52-3).

2. Among the comparables, only Geneva, Wood Dale and Woodridge have a cash system (City Brief, 53). Geneva pays \$425 and Wood Dale pays \$400 (City Brief, 53). Woodridge pays \$500 per year, but provides \$50 less for a vest allowance and "nothing upon promotion to rank of sergeant" (City Brief, 53).

3. The "other cash payment plans among the comparables are limited to non-uniformed (plain clothes) personnel..." (City Brief, 53).

4. "Internal comparisons do not support an increase in the uniform allowance" (City Brief, 53). All other City employees "either have no uniform allowance or are on a quartermaster system" (City Brief, 53).

2. Discussion and Findings

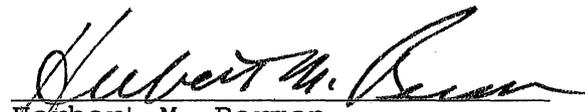
In essence, the Union is seeking an additional economic benefit not necessarily tied to the cost and maintenance of equipment and uniforms. Obviously, dollars not spent on equipment and uniforms go into the recipient's pocket. Had the evidence established that the current uniform allowances did not cover the cost of their purchase and upkeep, I would agree that it is time to upgrade this benefit. In the absence

of any such evidence, and in light of the fact that evidence respecting the same benefit in comparable communities is inconclusive, I have no choice but to adopt the City's proposal.

VI. Summary

In sum, I adopt the following proposals:

1. I adopt the City's final offer on Patrol Officers' Wages.
2. I adopt the City's final offer on Sergeants' Wages.
3. I adopt the Union's final offer on Costs of Dependent Health Insurance.
4. I adopt the City's final offer on Vacation Selection.
5. I adopt the City's final offer on Holiday Pay.
6. I adopt the City's final offer on Uniform Allowance.


Herbert M. Berman
Arbitrator

August 6, 1996