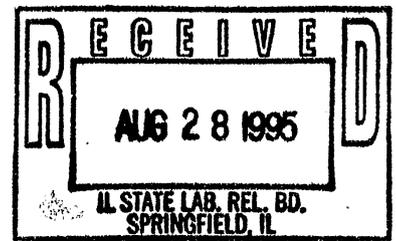


ILRB
#128

INTEREST ARBITRATION
OPINION AND AWARD



In the Interest Arbitration

between

CITY OF MT. VERNON

and

ILLINOIS FRATERNAL ORDER OF
POLICE LABOR COUNCIL

ISLRB Case No. S-MA-94-215

FMCS Case No. 94-25774

Hearing Held

April 3, 1995
Mt. Vernon City Hall
Mt. Vernon, IL

Appearances

For the Union:

Gary L. Bailey, Esq.
Becky S. Dragoo, Esq.
Illinois FOP Labor Council
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Arbitrator

Steven Briggs

For the Employer:

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BACKGROUND

The Employer in this matter is the City of Mt. Vernon, Illinois (the City). Since April, 1992, patrol officers in the City's Police Department have been represented for collective bargaining purposes by the Illinois Fraternal Order of Police Labor Council (the Union). After bargaining over the terms of their initial collective bargaining agreement for about fourteen months, the parties ultimately reached accord. The Agreement became effective on July 7, 1993¹ and remained in full force and effect until April 30, 1995.

The Agreement contained the following language in its Article XV (Wages):

Section 15.3. Reopener. Both the City and the Labor Council maintain the right to negotiate a change to the wage schedule set forth in Appendix A to be effective on or after May 1, 1994. If either the City or Labor Council wish to negotiate such change, that party must provide the other notice of the desired change and of the exercise of the option to reopen no more than 60 days or less than 30 days prior to the date of the proposed change.

The Union exercised its wage reopener option pursuant to the above language. When subsequent negotiations reached an impasse, the Union advanced the salary issue to interest arbitration.

By means of a December 1, 1994 letter from Brian E. Reynolds, Executive Director of the Illinois State Labor Relations Board, the undersigned was notified of his appointment as "interest arbitrator and as Chairman of an interest arbitration panel" in this matter.² With the concurrence of both parties an interest arbitration hearing was held in Mt. Vernon, Illinois on April 3, 1995. Neither party unilaterally appointed anyone to the interest arbitration panel, thus implicitly empowering the undersigned with the exclusive authority to decide the salary issue. The hearing was transcribed, and both parties filed timely posthearing briefs by June 14, 1995.

¹ The Agreement was executed on July 6, 1993. Per Article XXIII (Termination) it became effective the next day.

² I received a similar notice dated February 2, 1995 from Ms. Jewell L. Myers of the Federal Mediation and Conciliation Service, thus explaining the two different case numbers referenced herein.

THE PARTIES' FINAL OFFERS

During their salary reopener negotiations the parties agreed to add two new longevity steps to the salary schedules³ --- one at 22 years and another at 24 years. There is a slight difference, however, in the amount each proposes to add at each step. The Union would have progression to each of the two steps result in a one percent (1%) increase; the corresponding increase in the City's final offer is ninety-three one-hundredths of one percent (.93%). The parties disagree as well as to the eligibility requirements for attaining placement at each of the two additional longevity steps. The Union's final offer would allow officers to attain what it calls "Step 22" after twenty-two years of service; "Step 24" would be reached at twenty-four years of service. The City's final offer identifies the two additional longevity steps as "Step 21" and "Step 22," and requires that officers be at the previous step for twenty-four months before attaining each of them.

The parties also agreed during the salary reopener negotiations that effective May 1, 1994 a three percent (3%) salary increase would be applied as an across-the-board increase. The Union's final offer contains an additional two percent (2%) across-the-board increase effective November 1, 1994.

At the interest arbitration hearing both parties treated their final offers as involving a single economic issue involving the wages of the bargaining unit. Accordingly, and pursuant to Section 14(g) of the Illinois Public Labor Relations Act, the Arbitrator is required to select either the City's final offer in its entirety or the Union's final offer in its entirety.

THE IPLRA STATUTORY CRITERIA

The Illinois Public Labor Relations Act requires that the interest arbitration decision in this matter shall be based upon the following eight factors:

- (1) The lawful authority of the employer.
- (2) Stipulations of the parties.
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (4) Comparison of the wages, hours and conditions of employment

³ The Agreement contains two salary schedules in its Appendix A. One applies to Patrol Officers; the other covers Canine Patrol Officers, Juvenile Officers, and Detective Officers.

of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:

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

A PROCEDURAL QUESTION

During the arbitration hearing the City did not submit the source documents (i.e., the collective bargaining agreements) from which it obtained salary information for its proposed comparables. At the close of the City's presentation the following discussion took place:⁴

THE ARBITRATOR: Okay. Thank you, Mr. Byergo. Anything on rebuttal from the Union?

MR. BAILEY: I guess a few things. I guess a few questions, Mr. Byergo. Are you planning on introducing the collective bargaining agreements that you've resourced?

MR. BYERGO: We can if you like. They can all be available for all of you. That's fine.

MR. BAILEY: Okay.

THE ARBITRATOR: Okay. So you'll mail them to me as well?

MR. BYERGO: Sure.

MR. BAILEY: I would like to check the numbers to make sure their sources are accurate.

THE ARBITRATOR: Sure.

At the close of the April 3, 1994 hearing the parties agreed to mail additional factual information to each other and to the Arbitrator within two weeks. The Arbitrator described the agreed-upon time frame with the following words: "... within two weeks from today's date, give or take a day or two. I think there's some flexibility built in there." (Tr-123)

The Union submitted additional data under a cover letter dated April 17, 1995. Union Counsel Bailey subsequently noted in his posthearing brief that the City had not submitted any of the collective bargaining agreements used as source documents for the wage data in its external comparability exhibits. With the following argument he urged the Arbitrator not to take an "IMMENSE leap of faith" (emphasis in original) by accepting as accurate the City's wage comparability

⁴Tr-110.

exhibits without also having the source collective bargaining agreements for verification:

The City has employed sophisticated counsel to prepare and present its arguments to the Arbitrator, and the Arbitrator should regard such a blatant omission as highly suspicious and wholly unacceptable. The City was even provided extra time to supply this evidence after the day of the hearing; the Arbitrator must hold the City to a higher standard than it has approached this case and reject the lone "word" of its counsel as proof of the facts in this case which are essential.⁵

City Counsel Byergo was not amused. In a letter to the Arbitrator dated June 19, 1995⁶ he noted that he had simply forgotten about his pledge to forward the relevant collective bargaining agreements. Enclosed with Mr. Byergo's letter were the collective bargaining agreements for Harrisburg, Herrin, Murphysboro, Olney, and West Frankfort. The collective bargaining agreement for the Jefferson County Sheriff's Department was enclosed as well.

Union Counsel Bailey was less than pleased with the fact that City Counsel Byergo had submitted the above documents after the record had been declared closed. He argued in a June 26, 1995 letter⁷ to the Arbitrator that the City's failure to produce the documents in timely fashion "... foreclosed the Union from arguing their weight and relevancy in its brief ..." Mr. Bailey concluded his letter by urging the Arbitrator "... not to consider the late evidence submitted by the City and render a decision based upon the evidence found in the record."

There is merit to both parties' positions on this procedural issue. In the Union's favor, the collective bargaining agreements forwarded by the City to the Arbitrator on June 19, 1995, were mailed well after the record had been declared closed on June 14, 1995. The City's belated submission was improper from that perspective. On the other hand, the Union was not prejudiced by the late submission. Union Counsel Bailey and Union Legal Assistant Becky Dragoo are very sophisticated interest arbitration practitioners. They undoubtedly have in their possession the collective bargaining agreements at the root of this procedural controversy. And, as Mr. Byergo noted in his June 19 letter, the Union itself represents police officers in some of the communities at issue. Besides, the agreements in question are a matter of public record. The Arbitrator is therefore convinced that the Union was not foreclosed from arguing the "weight and relevancy" of the wage data in the record as City Exhibits 25 - 30.

⁵ Union posthearing brief, p. 13.

⁶ Union Counsel Bailey was listed as a copy recipient.

⁷ City Counsel Byergo was listed as a copy recipient.

Moreover, the accuracy of the wage data in those exhibits need not be taken on faith by the Arbitrator. Those data can be easily be confirmed by consulting the collective bargaining agreements on file as public records with the Illinois State Labor Relations Board. The Arbitrator is empowered to do so under the doctrine of judicial notice. Noted arbitrators Marvin Hill and Anthony Sinicropi offered the following comments on that principle:

It is generally conceded that the concept of judicial notice applies in full force in the arbitral forum . . .

The doctrine of judicial notice is one of common sense. The theory is that, where a fact is (1) generally known by all reasonably intelligent people in the community, and (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned, it would not be good sense to require formal proof. As applicable in arbitration, however, caution must be taken in requiring that the fact at issue be beyond reasonable controversy before judicial notice is taken . . .⁸

Under the mantle of judicial notice the Arbitrator could properly make a trip to the Chicago office of the Illinois State Labor Relations Board, secure copies of the relevant collective bargaining agreements, and use them to verify each and every salary figure contained in City Exhibits 25 - 30. Alternatively, the same result could be obtained by verifying those salary figures against the salary data contained in the collective bargaining agreements belatedly provided by the City in its June 19, 1995 submission. The Arbitrator chose the latter option as a practical matter, because it saved time and expense. Accordingly, it was in the best interest of both parties.

⁸ Hill and Sinicropi, Evidence in Arbitration (Washington D.C., Bureau of National Affairs, 1987), at 29.

THE COMPARABLE JURISDICTIONS

The Proposals

The City proposes as comparables the following seven Illinois towns and cities within a fifty mile radius of Mt. Vernon, all of which have populations within plus or minus 50% of its population:

Centralia
Harrisburg
Herrin
Marion
Murphysboro
Olney
West Frankfort

The City also believes that employment in the Jefferson County Sheriff's Department is comparable to employment in the Mt. Vernon Police Department, since they have overlapping jurisdictions and the City has historically recruited employees from the Sheriff's Department.

The Union's nine proposed comparables are within plus or minus 25% of Mt. Vernon's population and are located throughout the State of Illinois. They are listed below:

Cahokia
Centralia
Dixon
Edwardsville
Fairview Heights
Jacksonville
Macomb
Marion
Mattoon

The City's Position

The City acknowledges that when juxtaposed against its suggested comparability grouping Mt. Vernon has a "relatively large tax base, trailing only Marion in terms of its total equalized assessed valuation and sales tax revenue."⁹ But on a per capita basis, the City claims, those revenue resources are clearly proportional to the same indicators across its proposed comparables. The City notes as well that the median family income in Mt. Vernon is at the mid range of those in its suggested comparability pool.

Both parties agree that Centralia and Marion should be considered comparable communities. The City argues, however, that the seven additional comparables proposed by the Union are well outside the southern Illinois labor market and subject to substantially different economic influences than those affecting Mt. Vernon. Additionally, the City maintains that some of the Union's proposed comparables have median household incomes and median home values inordinately higher than those in Mt. Vernon.

The City argues as well that the scope of the relevant labor market extends no farther than 50 miles in any direction from Mt. Vernon. Thus, the City emphasizes, the Union's "border-to-border, across-the-state" methodology is flawed because it includes as comparables cities and towns in vastly different labor markets. The City also argues that when scanning the state for communities which fit its plus or minus 25% population scan, the Union placed no specific restrictions on the range of median family incomes, median home values, or other economic indicia commonly used to identify comparables for interest arbitration purposes.

The Union's Position

The Union believes that the City's approach to selecting comparables was too narrow. It notes that there are no communities within a fifty-mile radius that in terms of population are larger than Mt. Vernon. Thus, the Union argues, the City's two selection criteria are biased in favor of selecting only smaller communities for comparison purposes. The Union also argues that the City provided no rational explanation as to its choice of a fifty-mile radius to construct the "Great Wall of Mt. Vernon."

The Union characterizes downstate Illinois as a scattering of sizable communities adjacent to major highways, amidst smaller towns and villages away from the more well-traveled public thoroughfares. In the Union's view the City's two selection

⁹ City's Posthearing Brief, p. 4.

criteria unrealistically ignore Illinois geography. Moreover, the Union believes that the City referenced such additional criteria as median family income and home values for the sake of appearance. The Union argues additionally that the City's use of Jefferson County as a comparable is ludicrous, largely because of the immense differences between cities and counties as governing bodies.

The Union used an amalgam of ten factors to select its comparables pool: (1) population, (2) median home value, (3) per capita income, (4) median household income, (5) number of police officers, (6) equalized assessed valuation, (7) number of city employees; (8) total salaries and wages, (9) total revenues, and (10) total expenditures. It argues that Mt. Vernon is close to the means and medians of its suggested comparables in these categories. The Union notes as well that its comparables are within plus or minus 25% of Mt. Vernon's population.

Discussion

The selection of appropriate comparables for an interest arbitration proceeding is educated guesswork. No two cities or towns are mirror images of one another; thus, no two are absolutely comparable. The task is made much easier for interest arbitrators if, during the bargaining process, the parties have mutually adopted a set of benchmark communities for comparison purposes. But that is not the case here. In the present dispute each party has taken a different approach to identifying what it believes is an appropriate comparables pool.

It is axiomatic that communities used for comparability purposes in an interest arbitration proceeding should be located within the same local labor market as the community where the interest dispute exists. That principle has been upheld again and again by interest arbitrators and there is no need to discuss it at length in these pages.¹⁰ Suffice it to say that in attracting and retaining qualified police officers Mt. Vernon competes with communities lying within a reasonable commuting distance.¹¹ The City has defined that distance as fifty miles, which is certainly not inordinately restrictive.

¹⁰ See City of DeKalb v. IAFF, Local No. 1236, ISLRB No. S-MA-876 (Goldstein, 1988); City of West Bend, 100 LA 1118 (Vernon, 1983); Village of Arlington Heights v. IAFF, ISLRB No. S-MA-88-89 (Briggs, 1991); Ozaukee County, Wisconsin v. Office and Professional Employees International Union, Local 35, WERC Case 24, No. 40183 (Briggs, 1989); Sioux County, Iowa v. AFSCME Local 1774, 87 LA 552 (Dilts, 1986).

¹¹ As the City appropriately notes, the U.S. Department of Labor, Bureau of Labor Statistics, has defined a "labor market area" as a "geographic area consisting of a central community . . . (and within which) workers generally can change jobs without relocating." (BLS Handbook of Methods (Washington, D.C.: U.S. Government Printing Office, 1988), p. 214.

In contrast, many of the communities proposed by the Union are just too far away to be meaningful for comparison purposes. Dixon, Macomb, and Jacksonville are all more than one hundred miles from Mt. Vernon.¹² Mattoon is approximately 75 miles away. It, too, may reasonably be characterized as being outside of the local labor market in which Mt. Vernon competes for police officers. Edwardsville, Cahokia and Fairview Heights are at least sixty miles from the center of Mt. Vernon, calling into question their validity as comparables. The usefulness of those three communities as comparables is further diminished because they are close enough to St. Louis to fall within its local labor market. And Mattoon, which rests alongside U.S. Highway 57 as does Mt. Vernon, is about ninety miles away. It is not likely that police officers would be willing to commute that distance to and from work for each shift. The Arbitrator therefore concludes that Dixon, Macomb, Jacksonville, Edwardsville, Cahokia, Fairview Heights and Mattoon are inappropriate for comparability purposes.

The two additional communities set forth by the Union as comparables (Centralia and Marion) were also identified as comparables by the City. Their appropriateness as comparables is evaluated in Table 1 on the following page. The Table also includes the additional five cities and towns advanced by the City for comparability purposes. All of the communities listed in the Table lie within a fifty-mile radius of Mt. Vernon.

¹² Macomb is about 150 miles away. Dixon is almost 250 miles from Mt. Vernon --- as the crow flies. Jacksonville is about 100 miles distant.

Table 1
Comparability Data*

<u>Community</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Median Home Value</u>	<u>Per Capita Eq. Assessed Valuation</u>	<u>Per Capita Sales Tax Revenue</u>
Centralia	14, 274	30, 105	38, 900**	3, 647	111.18
Harrisburg	9, 289	24, 322	32, 700	3, 572	128.89
Herrin	10, 857	26, 391	35, 300	4, 044	79.55
Marion	14, 545	28, 467	43, 900	7, 547	291.12
Murphysboro	9, 176	25, 036	37, 700	3, 377	79.23
Olney	8, 664	27, 081	35, 200	4, 017	132.93
West Frankfort	8, 521	23, 373	29, 200	2, 465	111.43
Average (N = 7)	10, 761	26, 396	36, 128	4, 095	133.47
Mt. Vernon	16, 988	25, 432	39, 700	5, 317	161.46

* All figures in dollars except population.

** Extracted from City Exhibit 24. The figure is the average of two different median home values: (1) the Marion County value [\$35, 000] and (2) the Clinton County value [\$42, 500].

Sources: Union Group Exhibit 6; City Exhibits 18, 20, 22, 23, and 24.

It is evident from Table 1 that Marion, Herrin and Centralia are reasonably comparable to Mt. Vernon on the population criterion. The remainder of the City's proposed comparables are somewhat smaller, with the smallest (West Frankfort) having a population just slightly larger than half that of Mt. Vernon. On the median family income dimension all of the jurisdictions in the Table seem generally comparable. The range from the lowest to the highest is only about \$7,000. It is clear from the last two columns of the Table that Mt. Vernon has a relatively large tax base, generating the conclusion that it should be able to compete with other jurisdictions in the grouping as all of them attempt to attract and retain qualified police officers.

The Arbitrator takes note of the Union's argument that the City's two selection criteria (geography and population) are biased in favor of identifying only smaller communities for comparison purposes. But the fact of the matter is that Mt. Vernon happens to be the most populated city within a fifty or even a sixty mile radius. It would be inappropriate to extend artificially the scope of the local labor

market in which it exists just to ensure that some larger cities are included in the comparables pool.

For all of the foregoing reasons, the Arbitrator has adopted the City's proposed jurisdictions for comparability purposes. Since Centralia, Herrin and Marion have populations significantly closer in size to Mt. Vernon than do the remaining comparable jurisdictions, however, they shall be considered the primary comparables. Mt. Vernon's location squarely within Jefferson County makes it appropriate to take note of employment conditions for sworn Jefferson County officers (deputy sheriffs) as well. However, Jefferson County is not formally included in the comparables pool due to the difficulty of comparing a county with a city on many of the dimensions traditionally used as benchmarks for comparison purposes.

THE SALARY ISSUE

As noted earlier, both parties' salary offers contain a 3% across-the-board salary increase for Patrol Officers, Canine Patrol Officers, Juvenile Officers and Detective Officers, effective May 1, 1994. The major difference in their salary offers concerns whether persons in all four categories should receive an additional 2% increase effective November 1, 1994, as the Union proposes.

In their respective submissions both parties focused on the Patrol Officer classification. The Arbitrator will do the same.

External Comparability

Table 2 on the next page presents comparison data for patrol officer salaries at the starting level, and at the one year, five year, ten year, fifteen year and twenty year steps. As it illustrates, both final offers position Mt. Vernon Patrol Officers at a competitive salary level, particularly with regard to starting salaries and those at the highest seniority levels.

When juxtaposed only against salary averages across the three primary comparables (Herrin, Centralia & Marion), Mt. Vernon Patrol Officers still do quite well under either offer when considering the starting, 15-year and 20-year levels. Their relative position at the 1-year, 5-year and 10-year levels is lower. Still, even at the 5-year and 10-year levels they rank in about the middle of the larger comparability pool. Both parties' offers are relatively lower at the 1-year level.

Table 2 in and of itself could support the adoption of either the Union's or the City's final offer. Put another way, it does not make either one appear unreasonable.

Table 2
 Patrol Officer Annual Salaries - 1994
 (in dollars)

<u>Municipality</u>	<u>Start</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>	<u>20 Years</u>
Centralia	24, 516	26, 401	27, 721	28, 777	29, 173	30, 361
Harrisburg*	20, 800	21, 840	23, 504	24, 440	25, 064	26, 000
Herrin	24, 523	26, 936	27, 726	28, 142	28, 558	28, 558
Marion	26, 160	26, 160	26, 520	26, 880	27, 240	27, 480
Murphysboro**	16, 641	19, 460	23, 260	24, 750	25, 750	26, 750
Olney**	17, 555	21, 944	23, 837	25, 563	26, 728	27, 352
West Frankfort***	24, 278	26, 229	27, 803	28, 852	30, 163	30, 163
Average - only Herrin, Centralia & Marion	25, 066	26, 499	27, 322	27, 933	28, 324	28, 800
Average (N = 7)	22, 067	24, 138	25, 767	26, 772	27, 525	28, 095
City Offer (rank of 7)	25, 395 (2)	25, 627 (5)	26, 579 (4)	27, 823 (4)	29, 131 (3)	30, 507 (1)
Union Offer (rank of 7)	25, 903 (2)	26, 140 (5)	27, 111 (4)	28, 380 (3)	29, 714 (2)	31, 117 (1)

* All rates effective May 1, 1992.

** All rates effective May 1, 1994

*** All rates effective January 15, 1994.

Sources: Union Group Exhibit 7, City Exhibits 25 through 29; collective bargaining agreements.

The mean 1994 salary increases across the comparability group provide yet another perspective on the reasonableness of the parties' final offers. Of the communities where police officers received salary increases in 1994, the average increase was 3.7%. Thus, the City's 3% final offer is closer to the average than is the Union's final offer, which amounts to a 5.1% increase for 1994.

Internal Comparability

Organized employees of the City of Mt. Vernon are spread across five separate bargaining units. As the City notes, there has been strict salary parity between its firefighters and police officers for the past 25 years. For a significant duration in that period, however, firefighters and police officers were unrepresented. The City was able during that time to set the wages for both groups unilaterally. After the IAFF began representing Mt. Vernon firefighters, the unrepresented police officers were granted each and every increase negotiated on the firefighters' behalf. Still, the Union argues, the historical salary parity which has evolved between Mt. Vernon firefighters and its police officers was unilaterally established by the City --- it was not arrived at through free collective bargaining. The Union is correct in that assertion. However, it is also important to recognize that no matter how the parity pattern was established, police officers and firefighters in Mt. Vernon have had a longstanding expectation that their salary increases will be identical. Breaking that pattern would have a definite effect on the stability of labor relations in the City, as the unit which lagged behind in one round of bargaining would certainly expect to catch up the next time. Generally speaking, this "whipsaw syndrome" is not in the public interest. If allowed to run its course the result is an orbit of coercive comparison whereby the salaries in both groups become inordinately inflated.

More significantly, the Union was not able to break the salary parity pattern in its first round of negotiations with the City. In free collective bargaining it agreed to 1992 and 1993 increases of 3% each year --- a figure identical to the increases negotiated by the IAFF. In view of the fact that the City and the FOP did not choose to break the historical salary parity between Mt. Vernon firefighters and police officers during the bargaining for their initial contract, it would be inappropriate for the Arbitrator to do so in this proceeding unless there were compelling evidence to support such a ruling. The record contains no such evidence.

Similar reasoning may be applied to the two longevity steps that both parties wish to add to the salary structure. In mid-1994 the bargaining unit represented by the Laborers & Teamsters (apparently an amalgamated union) received two additional 24-month seniority steps. IBEW Local 702 negotiated two 24-month seniority steps for their members as well. Two 24-month interval steps (Steps 21 and 22) were also negotiated for Mt. Vernon firefighters, effective May 1, 1994. Against such a backdrop, the City's final offer to add two 24-month longevity steps seems more appropriate than does the Union's proposal on that issue.

The Cost-of-Living

Each of the parties argue that the cost-of-living factor supports adoption of its final offer. The Union relies on the U.S. City Average Consumer Price Index (CPI-U) to support its position that police officers in Mt. Vernon have lost buying power since May, 1993, when they received their last pay increase. The City argues that the CPI-W (Region North Central/D) is the more proper index, because it focuses on the North Central portion of the United States and covers wage earners in non-metropolitan areas. Both cost-of-living indexes have their flaws, and an extensive discussion of all of them here is not necessary.

By either index, the Arbitrator sees no justification for the additional 2% the Union seeks effective November 1, 1994. Using the CPI-W, the mean annual inflation rate from 1992 through 1995 has been 3.0%. CPI-U data presented by the Union (Exhibit 3) reveal an inflation rate from May, 1993 to May, 1994 of 3.3%. Moreover, the Bureau of National Affairs has recently reported that the average annual wage increases negotiated across all U.S. industries was 3% for each of the last two years.¹³ Thus, the City's final offer of 3% effective May 1, 1994 seems to be the more reasonable.

The Arbitrator recognizes that the cost-of-living has increased since May, 1994. But for reasons already explained, the historical parity between Mt. Vernon firefighters and police officers is a very strong influence in this case. The firefighters did not receive a November 1, 1994 increase, nor does the record reveal that any other City of Mt. Vernon employees did either. Those factors outweigh the Union's cost-of-living arguments.

Other Statutory Criteria

It is in the public interest to have a full complement of qualified police officers in Mt. Vernon. However, it is not in the public interest for the City of Mt. Vernon to pay its police officers more than the level necessary to remain competitive in the local labor market. At the present rates, which have been built in part by recent annual increases of 4% (i.e., the 3% negotiated increases plus step increases), the City has indeed been able to attract and retain qualified police officers.¹⁴

The City did not raise an "inability to pay" argument. Absent such an argument the

¹³ Daily Labor Report, March 30, 1995. The figures are reported for the two-year period beginning in March, 1993 and running to March, 1995. They include lump-sum increases in addition to those negotiated onto base rates.

¹⁴ Only two Mt. Vernon police officers have resigned since 1990 (City Exhibit 39).

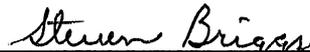
Arbitrator assumed that the City had the financial resources to meet any budgetary pressures t adoption of the Union's final offer might impose.

Within the confines of the evidence in the record, the Arbitrator has considered all of the statutory criteria set forth in the Illinois Public Labor Relations Act. The Award which follows is the result of that consideration.

AWARD

After careful study of the record in its entirety I have decided that the final offer of the City on the salary issue is the more appropriate. It is hereby adopted.

Signed by me at Chicago, Illinois, this 23rd day of August, 1995.



Steven Briggs