ARBITRATION AWARD

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In The Matter of
Interest Arbitration Between

City of Nashville

and

IL FOP Labor Council

* * * * * * * * * * * * * * * * *

Case No. S-MA-96-130

APPEARANCES

FOR THE CITY - JAMES E. DeFRANCO
Neville, Richards, DeGranco & Wuller
P.O. Box 20070
Belleville, IL 62226-0070

FOR THE UNION - JOHN R. ROCHE, JR.
Staff Attorney
and
BECKY S. DRAGOO
Legal Assistant
IL FOP Labor Council
6345 West Joliet Road
Countryside, IL 60525

TIME AND PLACE
OF HEARING - October 17, 1996
Nashville City Council Chambers

ARBITRATOR - DUANE L. TRAYNOR*
Security Federal Building, 3rd Floor
510 East Monroe Street
Springfield, IL 62701

*Selected from ISLRB Panel.

BRIEFS

By agreement of the parties, time for filing briefs was January 3, 1997. Briefs received by Arbitrator January 6, 1997.

FACTS

The City and the FOP Labor Council entered into their first Collective Bargaining Agreement in 1995. It covered the period from May 1, 1995 through April 30, 1998. The Contract provided in Article 30, Section 4 that:

> "The parties agree that the economic provisions of this Agreement shall be reopened for negotiations prior to the commencement of the second and third years of this Agreement * * *."

In compliance with the provisions of Article 30, the Union reopened negotiations with respect to economic provisions of the Agreement in advance of the second year of the Contract. Having failed to resolve certain issues through negotiation and mediation, the unresolved issues were processed to arbitration in accordance with Contract langauge.

Prior to the beginning of the arbitration hearing, there were several unresolved Union issues which had been processed to arbitration. At the beginning of the arbitration hearing, several of those issues were withdrawn by the Union so that the parties were in agreement that there were only two unresolved issues which were:

> (1) Wages: What amount of money will be added to the existing longevity matrix applicable to the Bargaining Unit members retroactive to May 1, 1996 and what amount of money will be added to the longevity matrix effective May 1, 1997?
>
> (2) Pay status: What will be the pay status of Bargaining Unit member Rick Harris?

At the beginning of the hearing, the parties stipulated and agreed certain matters. In essence, these stipulations were:

(1) The Arbitrator shall be Duane L. Traynor. The procedural prerequisites for convening the arbitration hearing have been met and the Arbitrator has jurisdiction and authority to rule on those mandatory subjects of bargaining submitted to him as authorized by the Illinois Public Relations Act, including but not limited to the express authority and jursidiction to award increases in wages and all other forms of compensation retroactive to May 1, 1996. Each party expressly waives and agrees not to assert any defense, right or claim that the Arbitrator lacks the jurisdiction and authority to make such retroactive award; however, the parties do not intend by this Agreement to predetermine whether any award of increased wages or other forms of compensation should, in fact, be retroactive to May 1, 1996.

(2) Final offers shall be exchanged at the start of the arbitration hearing on October 17, 1996; thereafter, such final offers may not be changed except by mutual agreement of the parties.

(3) The parties agree that the Employer has not and will not make an inability to pay argument at the hearing or thereafter in resolution of this arbitration.

(4) The Arbitrator shall issue his Award within thirty (30) days after submission of post-hearing briefs or any agreed upon extension requested by the Arbitrator.

The parties, prior to the arbitration, had reached a tentative agreement with respect to the language of Article 22 of the existing Agreement and asked that the Arbitrator incorporate this tentative Agreement in the Award.

A Collective Bargaining as agreed to in May 1995 provided in Article 2 dealing with holidays, Section 1:

"The following holidays shall be recognized and observed as paid holidays:

New Year's Day
President's Day
Good Friday
Memorial Day
Independence Day
Floating Holiday

As tentatively agreed by the parties, Section 1 of Article 22 should now read:

"The following shall be recognized and observed as paid holidays:

Labor Day
Veteran's Day
Thanksgiving Day
Friday following Thanksgiving
Christmas Day
Christmas Eve

THE WAGE ISSUE

The initial Collective Bargaining Agreement between the parties over a period from May 1, 1995 through April 30, 1988 covered all full-time Police Officers of the City of Nashville below the rank of Lieutenant. The membership in this group has fluctuated from four to six and there was an indication at the time of the arbitration hearing the complement was four.

Article 21 dealing with wage rates provided for classification covered by this Agreement appear in Appendix "B". Appendix "B" is as follows:

Appendix "B"
Wage Rates/Longevity

effective 5/1/95

years of service	hourly rate	annual salary
prob.-1	$9.00	$18,720.00
prob.-2	$9.50	$19,760.00
1	$10.00	$20,800.00
2	$10.20	$21,216.00
3	$10.40	$21,632.00
4	$10.60	$22,048.00
5	$10.80	$22,464.00
6	$10.95	$22,776.00
7	$11.10	$23,088.00
8	$11.25	$23,400.00
9	$11.40	$23,712.00
10	$11.55	$24,024.00
11	$11.65	$24,232.00
12	$11.75	$24,440.00
13	$11.85	$24,648.00
14	$11.95	$24,856.00
15	$12.05	$25,064.00
16	$12.15	$25,272.00
17	$12.25	$25,480.00
18	$12.35	$25,688.00
19	$12.45	$25,896.00
20	$12.55	$26,104.00
21	$12.65	$26,312.00
22	$12.75	$26,520.00
23	$12.85	$26,728.00
24	$12.95	$26,936.00
25	$13.05	$27,144.00
26	$13.15	$27,352.00
27	$13.25	$27,560.00
28	$13.35	$27,768.00
29	$13.45	$27,976.00
30	$13.55	$28,184.00

employees advance to next step at anniversary date

prob.-1: first six months of service

prob.-2: second six months of service or after completion of PTI

This is referred as the matrix.

Minutes of a 1996 Council Meeting, the exact date thereof not being identified, dealing with pay raises through 1996-97 reflects that the Council authorized a general increase for all employees of the City, exclusive of Police of $.40 and hour. In addition, four employees received merit increases of $.10 an hour.

The City's Final Offer with respect to wages was to adjust the matrix across the board at every level at $.30 per hour for the 1996 and 1997 Fiscal Years.

The Union's Final Offer was an increase of $.40 across the board effective 5/1/96 to all employees in the Bargaining Unit with separate checks being issued for back pay and $.40 across the board to the existing matrix effective 5/1/97. Thus, effective May 1, 1996, wage rates matrix would be as follows:

APPENDIX B: WAGE RATES/LONGEVITY

Effective May, 1996

Years Service	Hourly Rate	Annual Salary
Prob. 1	$9.40	$19,552.00
Prob. 2	$9.90	$20,592.00
1	$10.40	$21,632.00
2	$10.60	$22,048.00
3	$10.80	$22,464.00
4	$11.00	$22,880.00
5	$11.20	$23,296.00
6	$11.35	$23,608.00
7	$11.50	$23,920.00
8	$11.65	$24,232.00
9	$11.80	$24,544.00
10	$11.95	$24,856.00
11	$12.05	$25,064.00
12	$12.15	$25,272.00
13	$12.25	$25,480.00
14	$12.35	$25,688.00
15	$12.45	$25,896.00
16	$12.55	$26,104.00
17	$12.65	$26,312.00
18	$12.75	$26,520.00
19	$12.85	$26,728.00
20	$12.95	$26,936.00
21	$13.05	$27,144.00
22	$13.15	$27,352.00
23	$13.25	$27,560.00
24	$13.35	$27,768.00
25	$13.45	$27,976.00
26	$13.55	$28,184.00
27	$13.65	$28,392.00
28	$13.75	$28,600.00
29	$13.85	$28,808.00
30	$13.95	$29,016.00

Effective May 1, 1997, the salaries would be:

Years Service	Hourly Rate	Annual Salary
Prob. 1	$9.80	$20,384.00
Prob. 2	$10.30	$21,424.00
1	$10.80	$22,464.00
2	$11.00	$22,880.00
3	$11.20	$23,296.00
4	$11.40	$23,712.00
5	$11.60	$24,128.00
6	$11.75	$24,440.00
7	$11.90	$24,752.00
8	$12.05	$25,064.00
9	$12.20	$25,376.00
10	$12.35	$25,688.00
11	$12.45	$25,896.00
12	$12.55	$26,104.00
13	$12.65	$26,312.00
14	$12.75	$26,520.00
15	$12.85	$26,728.00
16	$12.95	$26,936.00
17	$13.05	$27,144.00
18	$13.15	$27,352.00
19	$13.25	$27,560.00
20	$13.35	$27,768.00
21	$13.45	$27,976.00
22	$13.55	$28,184.00
23	$13.65	$28,392.00
24	$13.75	$28,600.00
25	$13.85	$28,808.00
26	$13.95	$29,016.00
27	$14.05	$29,224.00
28	$14.15	$29,432.00
29	$14.25	$29,640.00
30	$14.35	$29,848.00

It was the City's testimony that in offering $.30 an hour, it took the cost of living index, which it believed to be pretty well fixed around 2.7 to 2.8% consumer price index rate, and in offering $.30 or a 3% raise, it was giving a little more.

Under the Illinois Public Labor Relations Act, as amended, (5) ILCS 315/14, Subsection (h), set forth eight factors which the arbitration panel is to take into consideration in deciding which of the final offers should be accepted. With the City stipulating that it was not claiming financial inability and the parties having stipulated as to the lawful authority of the Employer together with other stipulations heretofore set out, the parties evidence was somewhat curtailed. The parties stipulated to the first factor the lawful authority of the Employer. Factor No. 2 stipulations of the parties have heretofore been set forth in the statement of facts. With respect to Factor No. 3, there was no evidence offered with respect to the interest and welfare of the public and with the stipulation as to financial ability, it need not be considered by the Arbitrator.

In 1986, at the time the IPLRA became applicable to Police, Corrections and Fire Units, Arbitrator Peter Feuille authored an article in the Illinois Public Employee Relations Report, University of Illinois Institute of Labor and Industrial Relations, entitled "Compulsory Interest Arbitration Comes To Illinois". In that article, he stated:

> "Based upon what has happened in other states, most of the party's supporting evidence will fall under the comparability ability to pay and cost of living criteria, (although other factors could be important on specific issues, such as bargaining history), and most panel rulings will be based upon these three criteria. Of these three, comparability is usually the most important."

The factors he referred to are factors 3, 4 and 5. With factor 3, ability to pay, being stipulated, factors 4 and 5 would be those most applicable in this case.

Arbitrator Herbert Berman in Village of Westchester and IL Firefighters Alliance, Council 1, S-MA-89-93, commented:

> "Most significant factors in economic interst arbitrations are set off in paragraphs 3 through 6. Comparability, the fourth factor, 'is the most important factor to Arbitrators.' The Employers' 'ability to pay' and the wages and benefits requested, the third factor, and the 'cost of living,' the fifth, are the other factors of primary significance."

With the stipulation as to the ability to pay, the Union, relying on those statements, presented evidence with respect to comparability and cost of living limiting its testimony and exhibits to these two factors only.

COMPARABILITY FACTOR

Arbitrators, in interest arbitration matters, generally find the identifying of comparable Employers to be fought with difficulty. It is almost impossible to find identical situations. The wages and terms and conditions of employment can vary. Matters affecting public and private employment, the similarity of working conditions and benefits may be so varied as to make any

comparable suspect. Wages paid in one geographic area can vary markedly from one area to another depending upon education, training and experience to meet specific needs and the number of people to meet those standards in a given area. Likewise, it can have an influence on whether an identified Employer could be comparable.

The Union's approach, as disclosed by the evidence, was to attempt to identify jurisdictions comparable to the City of Nashville in terms of population, size and demographics It was the Union's position that if wages and terms of conditions of employment were not collectively bargained, they could not be considered as a comparable.

In selecting its comparables, the Union first considered all cities within a 50 mile radius of the City of Nashville as being a reasonable indication of the labor market. It then moved to looking at certain factors that were helpful in determining which communities are similar to Nashville. These included a look at the population, at medium home values, per capita income, medium household income, and square miles. Using the 1990 Census, it determined that Nashville has 3,202 people; medium home value of $53,300.00; per capita income $12,172.00; medium household income $24,604.00; and 2.28 square miles.

Working on the theory that unless the comparables had collective bargaining agreements, it paired its list of comparables down to six communities who are listed in the following chart together with the showing of the population and demographics:

UNION'S FINAL COMPARABLE JURISDICTIONS BASED UPON GEOGRAPHIC PROXIMITY TO NASHVILLE, POPULATION, DEMOGRAPHICS AND UNION REPRESENTATION

Jurisdiction	Population	Median Home Value	Per Capita Income	Median House-hold Income	Square Miles
Carterville	3,630	$45,100	$11,587	$24,348	2.87
Caseyville	4,419	$44,000	$11,428	$26,427	4.58
DuQuoin	6,697	$37,100	$10,613	$19,834	5.71
Salem	7,470	$39,200	$12,019	$23,477	5.25
Sparta	4,853	$44,800	$12,200	$23,393	9.53
Waterloo	5,072	$66,400	$13,675	$30,057	2.65
Nashville	**3,202**	**$53,300**	**$12,172**	**$24,604**	**2.28**

Average:	5,357	$46,100	$11,920	$24,589	5.10
Nashville	3,202	$53,300	$12,172	$24,604	2.28

To further demonstrate those cities' comparability, it introduced into evidence the following chart showing the number of Officers in the various jurisdictions. Information was taken from the 1995 Crime in Illinois State Police. It was pointed out that these figures could fluctuate going up or down, Nashville being an example of the number of Officers at the time of the arbitration hearing was 4.

Jurisdiction	Number of Officers*
Carterville	4
Caseyville	7
DuQuoin	9
Salem	14
Sparta	10
Waterloo	9
Nashville	6

Average:	8.83
Nashville	6

*Includes all full-time officers in the Department.

These figures represent all full-time Officers in the various Departments.

The Union introduced into evidence the latest Collective Bargaining Agreements in the comparable jurisdictions, except that of Carterville which had recently petitioned for Union representation and were in the process of negotiations at the time of the arbitration hearing. All of these contracts were with Local FOP lodges with the exception of Salem, whose Officers are represented by the Salem Police Department Employees Association. An examination of these contracts reflects the following:

Caseyville - Contract period 6/1/93 to 5/31/96 and covers all full-time Police Officers under the rank of Chief.

DuQuoin - Contract period 1/1/94 to 12/31/97 covering all Patrolmen, Dispatchers and a Secretary.

Salem - Contract Period 5/1/93 to 4/30/96 with a wage addendum covering all non-probationary Police Officers of the rank of Sergeant and below and Dispatchers.

Sparta - Contract period 11/1/94 to 10/31/97 covering all full-time and part-time Patrol Officers and Dispatchers.

Waterloo - Contract period 7/1/94 to 6/30/97 covering all sworn Police Officers under the rank of Assistant Chief.

While acknowledging the inability to pay argument is not involved in these proceedings, the Union, as further evidence of the validity of their comparables, introduced into evidence charts comparing the equalized assessed valuation, the general fund revenues and the general fund expenditures of its comparables, which it maintains shows that Nashville falls very close to its proposed jurisdiction in terms of financial data. These charts are as follows:

EQUALIZED ASSESSED VALUATION AND TOTAL SALARIES & WAGES PAID IN UNION'S COMPARABLE JURISDICTIONS

Jurisdiction	Equalized Assessed Valuation	Total Salaries & Wages
Carterville	*	*
Caseyville	$17,291,053	$863,602
DuQuoin	$25,440,763	$1,210,018
Salem	$33,259,481	$2,142,220
Sparta	$22,876,485	$972,152
Waterloo	$49,129,720	$1,408,573
Nashville	$26,501,210	$877,256

Average:	$29,599,500	$1,319,313
Nashville	$26,501,210	$877,256

1995 GENERAL FUND REVENUES FOR UNION'S COMPARABLE JURISDICTIONS

Jurisdiction	Property Tax	Sales Tax	Utility Tax	Other Local	Intergov. Revenue	Other Local Sources	Total Revenue
Carterville	not avail.	not avail.	not avail.	not avail.	not avail.	not avail.	not avail.
Caseyville	$50,386	$217,759	$0	$0	$255,702	$119,039	$642,886
DuQuoin	$150,167	$659,105	$0	$4,298	$375,204	$194,950	$1,383,724
Salem	$221,756	$1,274,983	$0	$0	$378,290	$618,566	$2,493,595
Sparta	$255,222	$856,580	$0	$3,143	$244,219	$159,991	$1,519,155
Waterloo	$241,854	$822,322	$0	$0	$338,051	$355,041	$1,757,268
Nashville	$127,725	$710,172	$9,695	$0	$150,432	$318,110	$1,316,134
Average:	$183,877	$766,150	$0	$1,488	$318,293	$289,517	$1,559,326
Nashville	$127,725	$710,172	$9,695	$0	$150,432	$318,110	$1,316,134

1995 GENERAL FUND EXPENDITURES FOR UNION'S COMPARABLE JURISDICTIONS

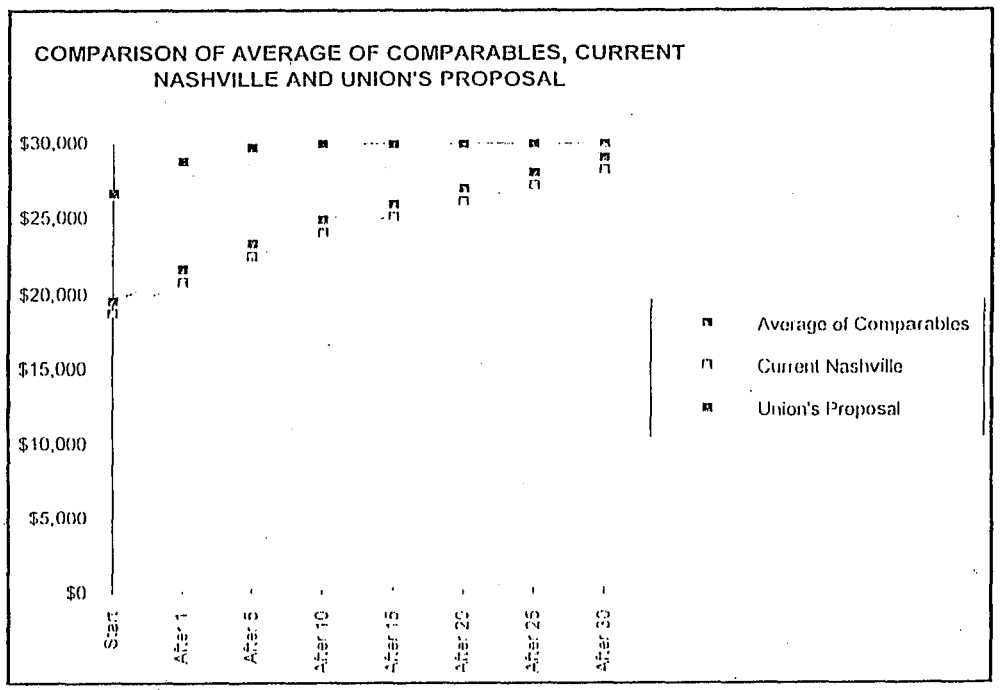
Jurisdiction	General Govmt.	Public Safety	Public Works & Transp.	Health & Welfare	Culture & Rec.	Develop.	Debt Serv.	Other	Total Expenditures
Carterville	not avail.	not avail.	not avail.	not avail.	not avail.	not avail.	not avail.	not avail.	not avail.
Caseyville	$46,101	$415,243	$178,403	$0	$0	$14,784	$0	$0	$654,531
DuQuoin	$321,869	$920,779	$0	$0	$0	$0	$0	$314,404	$1,557,052
Salem	$513,257	$800,811	$253,784	$425,405	$478,337	$33,321	$0	$0	$2,504,915
Sparta	$495,722	$795,085	$383,633	$0	$58,997	$0	$0	$0	$1,733,437
Waterloo	$394,773	$581,647	$480,091	$206,720	$8,223	$0	$0	$0	$1,671,454
Nashville	$628,262	$193,211	$322,081	$0	$0	$0	$35,322	$0	$1,178,876
Average:	$354,344	$702,713	$259,182	$126,425	$109,111	$9,621	$0	$62,881	$1,624,278
Nashville	$628,262	$193,211	$322,081	$0	$0	$0	$35,322	$0	$1,178,876

The City introduced only one comparable and that was the wage rate longevity appendix to the Washington County Sheriff's Department negotiated by the FOP for the years 12/1/94, 12/1/95 and 12/1/96. Nashville is the County Seat of Washington County and argues that the only local comparable jobs available to the Collective Bargaining Unit is the County Sheriff's Department and thus, there can be no better comparable than that which is paid Police Officers locally. Without taking into consideration $.30 an hour across the matrix board which the City is offering, the exhibit shows the County Sheriff's Department members are paid less than the Police for the City and urges the rejection of the Union's comparables.

Using its comparables, the Union made a comparison of average of comparables with current Nashville wages and the Union's proposal. This comparison is as follows:

COMPARISON OF AVERAGE OF COMPARABLES WITH CURRENT NASHVILLE WAGES AND UNION'S PROPOSAL

Yrs. of Service	Average of Comparables	Current Nashville	$ Diff. w/ Average	% Diff. w/ Average	Yrs. of Service	Average of Comparables	Union's Proposal	$ Diff. w/ Average	% Diff. w/ Average
Start	$26,626	$18,720	($7,906)	-30%	Start	$26,626	$19,552	($7,074)	-27%
After 1	$28,722	$20,800	($7,922)	-28%	After 1	$28,722	$21,632	($7,090)	-25%
After 5	$29,692	$22,464	($7,228)	-24%	After 5	$29,692	$23,296	($6,396)	-22%
After 10	$29,921	$24,024	($5,897)	-20%	After 10	$29,921	$24,856	($5,065)	-17%
After 15	$29,921	$25,064	($4,857)	-16%	After 15	$29,921	$25,896	($4,025)	-13%
After 20	$29,921	$26,104	($3,817)	-13%	After 20	$29,921	$26,936	($2,985)	-10%
After 25	$29,921	$27,144	($2,777)	-9%	After 25	$29,921	$27,976	($1,945)	-7%
After 30	$29,921	$28,184	($1,737)	6%	After 30	$29,921	$29,016	($905)	-3%



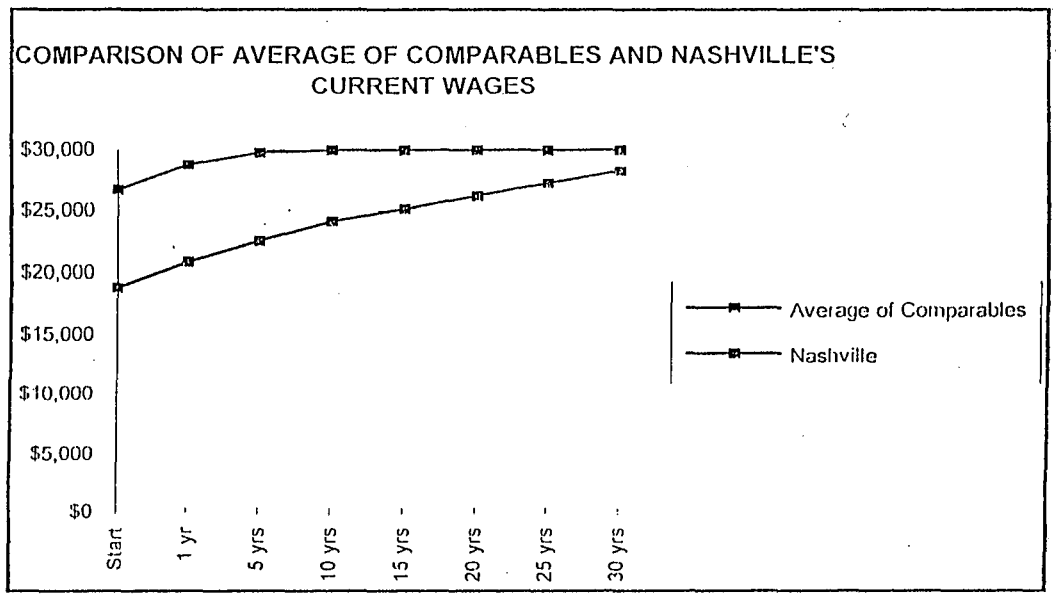
The lower graph was in color, more vividly indicating the comparisons.

In the above photostat, the top line is the average of the comparables. The bottom line represents the current Nashville wages and the middle represents the Union's proposal.

To further compare Nashville with the comparables, the Union introduced into evidence the following Wages effective in the comparables for FY 1996 to 1997 together with a graph making such comparison, which is as follows:

WAGES EFFECTIVE IN FY 1996-97 FOR UNION'S COMPARABLE JURISDICTIONS

Jurisdiction	Effective Date	Start	After 1 Year	After 5 Years	After 10 Years	After 15 Years	After 20 Years	After 25 Years	After 30 Years
Carterville	5/1/96	In Petition/Negotiations							
Caseyville	5/1/96	In Negotiations							
DuQuoin	5/1/96	$26,187	$26,874	$28,185	$28,872	$28,872	$28,872	$28,872	$28,872
Salem	5/1/96	In Negotiations							
Sparta	5/1/96	$22,058	$25,659	$27,258	$27,258	$27,258	$27,258	$27,258	$27,258
Waterloo	7/1/96	$31,634	$33,634	$33,634	$33,634	$33,634	$33,634	$33,634	$33,634
Nashville	5/1/95	$18,720	$20,800	$22,464	$24,024	$25,064	$26,104	$27,144	$28,184
Average w/o Nashville:	5/1/96	$26,626	$28,722	$29,692	$29,921	$29,921	$29,921	$29,921	$29,921
Nashville Current:	5/1/95	$18,720	$20,800	$22,464	$24,024	$25,064	$26,104	$27,144	$28,184
Diff. w/ Average:	-	($7,906)	($7,922)	($7,228)	($5,897)	($4,857)	($3,817)	($2,777)	($1,737)



As in the previous exhibit, the graph was in color. The top line represented the average of the comparables; the bottom shows Nashville's current wages and how it approaches the comparable wages after 30 years of service.

To illustrate how Nashville's May 1, 1995 wages as set forth in the matrix compares with comparable jurisdictions for the 1997-98 Fiscal Year, the Union introduced into evidence the following chart:

WAGES EFFECTIVE IN FY 1997-98 FOR UNION'S COMPARABLE JURISDICTIONS

Jurisdiction	Effective Date	Start	After 1 Year	After 5 Years	After 10 Years	After 15 Years	After 20 Years	After 25 Years	After 30 Years
Carterville	5/1/97	In Petition/Negotiations							
Caseyville	5/1/97	In Negotiations							
DuQuoin	5/1/97	$26,811	$27,518	$28,846	$29,550	$29,550	$29,550	$29,550	$29,550
Salem	5/1/97	In Negotiations							
Sparta	5/1/97	In Negotiations							
Waterloo	7/1/97	In Negotiations							
Nashville	5/1/95	$18,720	$20,800	$22,464	$24,024	$25,064	$26,104	$27,144	$28,184
Average w/o Nashville:	5/1/97	$26,811	$27,518	$28,846	$29,550	$29,550	$29,550	$29,550	$29,550
Nashville Current:	5/1/95	$18,720	$20,800	$22,464	$24,024	$25,064	$26,104	$27,144	$28,184
Diff. w/ Average:	-	($8,091)	($6,718)	($6,382)	($5,526)	($4,486)	($3,446)	($2,406)	($1,366)

The Union also, in order to demonstrate what the average percentage increase received in FY 95-96 in addition to the step increases, submitted the following chart:

PATROL OFFICERS LONGEVITY PAY SYSTEMS IN COMPARABLE JURISDICTIONS

Percentage Increases Received in Addition to Step Increases

Jurisdiction	Longevity Pay System	Years to Top Pay	Average Percentage Increase Received in FY 95-96 In Addition to Step Movement
Salem	7 Steps	7	3.00%
DuQoin	11 Steps	11	4.80%
Sparta	4 Steps	1.5	4.00%
Caseyville	7 Steps	20	3.59% to 4.15%
Waterloo	2 Steps	1	3.85%

Also, the Union introduced the following exhibit indicating the cost out of the Union's proposed $.40 for each of the Fiscal Years. This chart is as follows:

COST OUT OF UNION'S PROPOSED $.40 & $.40

ars of service	5/1/95 Wages	5/1/96 Un Prop.	FY 96 $ Inc.	FY 96 % Inc.	5/1/97 Un. Prop.	FY 97 $ Inc.	FY 97 % Inc.	Overall $ Inc.	Overall % Inc.
prob 1	$9.00	$9.40	$0.40	4.44%	$9.80	$0.40	4.26%	$0.80	8.89%
prob 2	$9.50	$9.90	$0.40	4.21%	$10.30	$0.40	4.04%	$0.80	8.42%
1	$10.00	$10.40	$0.40	4.00%	$10.80	$0.40	3.85%	$0.80	8.00%
2	$10.20	$10.60	$0.40	3.92%	$11.00	$0.40	3.77%	$0.80	7.84%
3	$10.40	$10.80	$0.40	3.85%	$11.20	$0.40	3.70%	$0.80	7.69%
4	$10.60	$11.00	$0.40	3.77%	$11.40	$0.40	3.64%	$0.80	7.55%
5	$10.80	$11.20	$0.40	3.70%	$11.60	$0.40	3.57%	$0.80	7.41%
6	$10.95	$11.35	$0.40	3.65%	$11.75	$0.40	3.52%	$0.80	7.31%
7	$11.10	$11.50	$0.40	3.60%	$11.90	$0.40	3.48%	$0.80	7.21%
8	$11.25	$11.65	$0.40	3.56%	$12.05	$0.40	3.43%	$0.80	7.11%
9	$11.40	$11.80	$0.40	3.51%	$12.20	$0.40	3.39%	$0.80	7.02%
10	$11.55	$11.95	$0.40	3.46%	$12.35	$0.40	3.35%	$0.80	6.93%
11	$11.65	$12.05	$0.40	3.43%	$12.45	$0.40	3.32%	$0.80	6.87%
12	$11.75	$12.15	$0.40	3.40%	$12.55	$0.40	3.29%	$0.80	6.81%
13	$11.85	$12.25	$0.40	3.38%	$12.65	$0.40	3.27%	$0.80	6.75%
14	$11.95	$12.35	$0.40	3.35%	$12.75	$0.40	3.24%	$0.80	6.69%
15	$12.05	$12.45	$0.40	3.32%	$12.85	$0.40	3.21%	$0.80	6.64%
16	$12.15	$12.55	$0.40	3.29%	$12.95	$0.40	3.19%	$0.80	6.58%
17	$12.25	$12.65	$0.40	3.27%	$13.05	$0.40	3.16%	$0.80	6.53%
18	$12.35	$12.75	$0.40	3.24%	$13.15	$0.40	3.14%	$0.80	6.48%
19	$12.45	$12.85	$0.40	3.21%	$13.25	$0.40	3.11%	$0.80	6.43%
[illegible]	$12.55	$12.95	$0.40	3.19%	$13.35	$0.40	3.09%	$0.80	6.37%
21	$12.65	$13.05	$0.40	3.16%	$13.45	$0.40	3.07%	$0.80	6.32%
22	$12.75	$13.15	$0.40	3.14%	$13.55	$0.40	3.04%	$0.80	6.27%
23	$12.85	$13.25	$0.40	3.11%	$13.65	$0.40	3.02%	$0.80	6.23%
24	$12.95	$13.35	$0.40	3.09%	$13.75	$0.40	3.00%	$0.80	6.18%
25	$13.05	$13.45	$0.40	3.07%	$13.85	$0.40	2.97%	$0.80	6.13%
26	$13.15	$13.55	$0.40	3.04%	$13.95	$0.40	2.95%	$0.80	6.08%
27	$13.25	$13.65	$0.40	3.02%	$14.05	$0.40	2.93%	$0.80	6.04%
28	$13.35	$13.75	$0.40	3.00%	$14.15	$0.40	2.91%	$0.80	5.99%
29	$13.45	$13.85	$0.40	2.97%	$14.25	$0.40	2.89%	$0.80	5.95%
30	$13.55	$13.95	$0.40	2.95%	$14.35	$0.40	2.87%	$0.80	5.90%
average:				3.42%			3.30%		

THE COST OF LIVING EVIDENCE

In its presentation, with respect to the cost of living on the purchasing power on the employees, the Union contends it is necessary to first convert their salaries to numbers upon which a valid comparison can be made. It chose the base year of "1982-84" since it is the one currently used by the United States Government. Using that as the base year for the purposes of the CPI of 100, the Union converted the Bargaining Unit salaries for May 1995 and May 1996 into constant dollars for purposes of comparison. In this way, the impact of inflation for that period can be determined as a loss in purchasing power. This is illustrated in the following chart submitted by the Union:

LOSS IN BUYING POWER FOR BARGAINING UNIT EMPLOYEES FOR THE PERIOD MAY 1995 THROUGH MAY 1996
USING U.S. CPI-U / 1982-84=100

Step In Plan	5/1/95 Salary	May-95 CPI-U	Salary In Constant $	May-96 Salary	May-96 CPI-U	Salary In Constant $	$ Loss In Buying Power	% Loss In Buying Power
Prob 1	$18,720	152.2	$12,300	$18,720	156.6	$11,954	($346)	-2.81%
Prob 2	$19,760	152.2	$12,983	$19,760	156.6	$12,618	($365)	-2.81%
1	$20,800	152.2	$13,666	$20,800	156.6	$13,282	($384)	-2.81%
2	$21,216	152.2	$13,940	$21,216	156.6	$13,548	($392)	-2.81%
3	$21,632	152.2	$14,213	$21,632	156.6	$13,814	($399)	-2.81%
4	$22,048	152.2	$14,486	$22,048	156.6	$14,079	($407)	-2.81%
5	$22,464	152.2	$14,760	$22,464	156.6	$14,345	($415)	-2.81%
6	$22,776	152.2	$14,965	$22,776	156.6	$14,544	($420)	-2.81%
7	$23,088	152.2	$15,170	$23,088	156.6	$14,743	($426)	-2.81%
8	$23,400	152.2	$15,375	$23,400	156.6	$14,943	($432)	-2.81%
9	$23,712	152.2	$15,580	$23,712	156.6	$15,142	($438)	-2.81%
10	$24,024	152.2	$15,784	$24,024	156.6	$15,341	($443)	-2.81%
11	$24,232	152.2	$15,921	$24,232	156.6	$15,474	($447)	-2.81%
12	$24,440	152.2	$16,058	$24,440	156.6	$15,607	($451)	-2.81%
13	$24,648	152.2	$16,194	$24,648	156.6	$15,739	($455)	-2.81%
14	$24,856	152.2	$16,331	$24,856	156.6	$15,872	($459)	-2.81%
15	$25,064	152.2	$16,468	$25,064	156.6	$16,005	($463)	-2.81%
16	$25,272	152.2	$16,604	$25,272	156.6	$16,138	($467)	-2.81%
17	$25,480	152.2	$16,741	$25,480	156.6	$16,271	($470)	-2.81%
18	$25,688	152.2	$16,878	$25,688	156.6	$16,404	($474)	-2.81%
19	$25,896	152.2	$17,014	$25,896	156.6	$16,536	($478)	-2.81%
20	$26,104	152.2	$17,151	$26,104	156.6	$16,669	($482)	-2.81%
21	$26,312	152.2	$17,288	$26,312	156.6	$16,802	($486)	-2.81%
	$26,520	152.2	$17,424	$26,520	156.6	$16,935	($490)	-2.81%
	$26,728	152.2	$17,561	$26,728	156.6	$17,068	($493)	-2.81%
24	$26,936	152.2	$17,698	$26,936	156.6	$17,201	($497)	-2.81%
25	$27,144	152.2	$17,834	$27,144	156.6	$17,333	($501)	-2.81%
26	$27,352	152.2	$17,971	$27,352	156.6	$17,466	($505)	-2.81%
27	$27,560	152.2	$18,108	$27,560	156.6	$17,599	($509)	-2.81%
28	$27,768	152.2	$18,244	$27,768	156.6	$17,732	($513)	-2.81%
29	$27,976	152.2	$18,381	$27,976	156.6	$17,865	($516)	-2.81%
30	$28,184	152.2	$18,518	$28,184	156.6	$17,997	($520)	-2.81%

In its Brief, it seeks to submit additional evidence showing the impact of the change of costs of living since May 1996, the last month in the foregoing exhibit, arguing that cumulatively, since the last pay increase in May 1995, additional rises in costs of living as published by the Bureau of Labor Statistics has eroded the employees' purchase power by 4.03%.

AWARD ON THE WAGE ISSUE

As pointed out on pages 6 and 7, all the factor which an Arbitrator, under the IPRA, is to take into consideration in determining which final offer to adopt are agreed upon except the factors of comparability and cost of living. An exception to that statement is that there was no evidence offered concerning that portion of factor 3 dealing with the interests and welfare of the public. Therefore, other than the factors of comparability and cost of living, the agreed-upon factors would support an Award adopting the final offer of either party.

Thus, a determination of which final offer to adopt rests on the evidence relating to the factors of comparability and cost of living.

With respect to Police Officers, the comparability factor envisions the ascertaining of governmental agencies[1] which are comparable.

As heretofore indicated, the City introduced only one comparable and that was the wage rate longevity Appendix to the Washington County Sheriff's Department negotiated by the FOP for the years 12/1/94, 12/1/95 and 12/1/96. Since the City of Nashville is the County Seat of Washington County, the only local comparable jobs available are in Nashville. The City argues there can be no better comparable than that which is paid Police Officers locally. That exhibit, according to counsel, shows the Sheriff's Department members are paid more than the Police for the City and, therefore, the City's offer of $.30 for each FY 96 and 97 shows that Nashville's Police Officers are better paid justifying the City's Final Offer.

The Union asserts that for comparison purposes, one must compare salary of Police Officers with those in the Nashville Police Department. It further asserts that since Nashville Police Officers are unionized, the only realistic method of comparison is to compare Officers in those cities whose Officers have been unionized. With that premise, It submitted evidence charts and diagrams with the names of six cities within a 50-mile radius of Nashville as being comparable to Nashville. These cities are:

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[1] Since Police Officers enforce laws, they are employed by governmental agencies and have no comparable positions in the private sector.

Carterville
Caseyville
DuQuoin
Salem
Sparta
Waterloo

It first compared them in the areas of population, median home value, per capita income, median household income and square miles of area. Nashville's population is 3,202. The city closest to Nashville in population was Carterville whose population was 3,630. Caseyville and Sparta population is 4,000 plus. Waterloo was 5,000 plus; with DuQuoin in the 6,000 range and Salem in the 7,000 range. On the basis of population only, there could be some question as to whether DuQuoin and Salem were comparable.

When it came to median home values, DuQuoin was the lowest at $37,100.00 as opposed to Nashville's $53,300.00. Salem was at $39,200.00; all the rest, with the exception of Waterloo, were in the $44,000.00 to $45,000.00 range. With Nashville's home value being $53,000.00, Waterloo with $66,400 was the only city with median home value exceeding that of Nashville. Only DuQuoin and Salem, the two cities who had the greatest population, had median home values less than $40,000.00. Caseyville and Sparta had values of $44,000.00 plus. The fact that DuQuoin and Salem had the lowest home values would seem to balance out the question of whether those cities were comparables.

While Nashville had a per capita income of $12,172.00, all the others, except Waterloo at $13,675.00, ranged in the $10,000.00 plus to $12,000.00 in per capita income. On the basis of per capita income, the cities which appear to be comparable with Nashville are Salem at $12,019.00 and DuQuoin at $10,613.00, this is a further showing of the balancing out.

With respect to median household income, Nashville at $24,604.00 had a greater median household income than all of the others which ranged from $19,000.00 to $23,000.00 except for Waterloo with $30,057.00.

Equalized assessed valuation of the Union's comparables is set out on page 10. Assessed valuation is a factor to be considered where there is a claimed inability to pay. This is not an issue in this matter so that such a showing is only necessary when determining

what are comparable cities.

The same can be said for the charts appearing on page 11 showing the 1995 and 1996 General Fund Expenditures for the Union's comparable jurisdictions.

As appears on page 9, the number of fulltime Officers in each of the Union's comparable cities is set forth. The number of Officers in any Department is dictated by the ability to pay and the area that needs to be policed. The Union statistics show that each of the Union's comparables, like the City of Nashville, had the ability to pay. However, as appears from the chart on page 8, Nashville has fewer square miles to patrol than any of the other comparables. The area to be patroled by DuQuoin, Salem and Sparta ranges from 5 plus square miles to 9 plus square miles. As indicated, square miles dictates the number of Police Officers needed. The number of Officers in Salem, Sparta, and DuQuoin are 14, 10 and 9 respectively. They are the ones that have the highest square miles to police. Waterloo also has 9 Officers with 2.65 square miles in it to be policed which is slightly more than Nashville's 2.28 square miles. Waterloo has an equalized assessed valuation of $49,129,720.00, far exceeding that of any of the Union's comparables indicating an ability to pay 5 more Officers than Nashville.

The Arbitrator takes judicial notice of the fact that Waterloo being just south of Belleville is in a area of the State which is a heavy industrial area. It is included in the St. Louis, Missouri sphere of influence and contains a large population creating traffic problems and crime problems which is not true with respect to the other Union comparables. Thus, the number of Officers has to vary. Those special circumstances explain the need for more Police Officers. It is for that reason there is nothing to reflect Waterloo as a comparable.

It has to be conceded that a determination of what are comparables is anything but an exact science. It is practically impossible to identify identical jurisdictions. I have heretofore explained the reasons for some of the variations which appear in the Union comparables. Considering all the variations I have noted and the reasons therefor, I have to conclude that the Union's comparables are valid.

The City believes these comparables are flawed in that they were chosen, not only for the factors needed

for making such determination, but didn't include cities which didn't have Collective Bargaining Agreements covering Police Officers. I disagree with that conclusion. Employees in those cities without a Collective Bargaining Agreement are at the mercy and whims of the governing body without any recourse other than possible political pressure.

The Union's only comparable was that of the Washington County Sheriff's Department whose wages resulted from Collective Bargaining. The Union, in its brief, submits that comparing a County to a City, or vice versa, compares apples to oranges. Citing the Awards of Arbitrator Peter Fueille in County of McClean and IL FOP Labor Council Lodge 176, S-MA-92-29 and Arbitrator Charles C. Heinz in County of Rock Island and IL FOP Labor Council, S-MA-89-49, it maintains that the Arbitrator should not consider the City's comparable.

The Arbitrator reviewed these Awards. In reviewing the County of Rock Island Award, I found no language which substantiates such conclusion. In the McClean County case, Arbitrator Fueille did hold that comparing Deputy Sheriffs with City Police was not an appropriate comparison group. In that case, the Union was attempting to compare City Police officers to County Officers. Fueille gave three reasons for rejecting such comparisons: (1) Counties are far similar to each other as public Employers than cities are to counties; (2) Deputy Sheriffs are more similar to other County Deputy Sheriffs than they are to City Police; and (3) There is a County Seat pattern that indicates that it is the norm for the County Seat to generally pay more for City Police than the respective County pays for Deputy Sheriffs.

In his Award, he stated:

> "I note that this decision regarding the appropriate comparison group is consistent with the Employer's claim that it could find no Illinois interest arbitration precedent to support the city-to-county comparisons urged by the Union and with the absence of any such precedent cited by the Union."

The Union argues that the Arbitrator should reject the City's comparable given the distinct differences in bargaining patterns between cities and counties, the differences in duties, the differences in the structures of the governing bodies and the utter lack of other basis to compare the two. It maintains they simply cannot be compared.

While there may be some merit in the claim that there are differences in duties between the City Police and Deputy Sheriffs and differences in the structure of the governing bodies, it is my belief that the reasons given by Arbitrator Fueille in the McClean County case in rejecting that such comparisons are supported by sound logic and reasoning, I agree with his statements; that being true, I reject the City's comparable.

The Union introduced into evidence charts and graphs making a comparison of the average comparables with the current Nashville wages and the Union's proposal for the years 1996 and 1997. These have heretofore been set out on pages 12 and 13. The figures are in 5-year increments. The Union averaged the wages paid in its comparables and then compared them with Nashville's matrix, demonstrating the difference between the two. As an example, the average wages of the comparables after one year of service is $28,722.00 as compared with Nashville's current wage for a one-year Patrolman of $20,800.00, a 28% difference or $7,922.00. The chart graphically shows, at every 5-year increment a difference in wages between the average of the comparables and the City of Nashville, that Nashville's salaries are well below that of the average of the comparbles. This is true at each 5-year increment with the difference declining at each such increment to a point where after 30 years, Nashville Officers, if there are any at this time, would be receiving $1,737.00, 6% less than an Officer in a comparable.

The graph then shows the effect of adding the Union's $.40 to the Nashville matrix by making the same comparison to the average comparable. As an example, the average wages of the comparables for a one-year Officer is $28,722.00. Under the Union's proposal, the Nashville Officer would receive $21,632.00 making a difference of $7,090.00 or 25% less than the average of the comparable. A 30-year Officer in the Nashville Department would still make $905.00 less than a 30-year Officer in the comparables. The Union presented a similar chart and graph dealing with the 1996-1997 year.

The City argues that the Union's evaluations have no statistical validity since three of the cities that the Union claims are comparable, Carterville, Caseyville and Salem, do not have available information as they are in negotiations. This argument apparently has its foundation in the chart appearing on page 13 and that appearing on page 14. The chart on page 13 covers wages effective in FY 96-97 showing that Carterville, Caseyville

and Salem are in negotiations for salaries for that period. The chart on page 14 gives the wages effective in FY 97-98. It shows that all but DuQuoin are in negotiations for that year. I don't view that as a reason for rejecting that data. The chart on page 12 is a comparison of average of the comparables with the current Nashville wages demonstrating the disparity between the average comparables for four of the cities who have negotiated salaries for that period and the current Nashville salaries. Given the great disparity between that average and the two Nashville Police Officers salaries for FY 95-96, it seems reasonable to consider the salaries that have been negotiated in the comparable cities for FY 96-97 and FY 97-98.

As illustrative of the continuing disparity, the City further asserts that the Arbitrator can take into consideration the raises being given to other City employees who are getting a general increase of $.40 per hour. Thus, the Union employees, on the first half of the Union's seniority matrix, will be getting a greater raise than the general increase for City employees and the Union members in the second half of the matrix will be getting the same increase as the general increase for the City employees. It respectfully submits the City's proposal to give the same or better increases to the Union members as a general increase is reasonable.

The matrix shows that the Nashville Police Officers will in the first four years of service are getting $.10 per hour increase. Those in the fourth and fifth year will receive a $.20 per hour increase. Those in the six to ten year bracket will receive a $.15 per hour increase. From then on through 30 years of service, the increase is $.10 per hour.

With the exception of Rick Harris who is a special case, Davis, with 27 years of service, will receive a $.10 per hour increase in the two FY years. Haslett, in the same period, will receive a $.10 per hour increase. Thus, only Zoeckler, who will be at the 4th and 5th level of the matrix, will be the beneficiary of an additional $.20 per hour increase or $.60 per hour that in FY 96-97 and $.55 in FY-97-98. Admittedly, these wages exceed the $.50 per hour some City employees are receiving.

Under the City's proposal of $.30 per hour, Zoeckler would receive $.50 per hour in FY 96-97 and $.45 per hour in FY 97-98, the latter being less than certain City employees are now receiving. With the City knowing that

in agreeing to the matrix, which called for a $.15 and $.20 per hour increase in certain years which amount to greater increases than the normal one would expect in wages, and in appearing its offer would result in loss to Zoeckler in the second year of the contract in FY 1997-98. I am not persuaded that the mere fact that Zoeckler, under the Union's proposal, would receive more money per hour than his fellow Officers would receive under the Contract furnishes a reason for adopting or rejecting either of the wage offers.

The City further argues that the Arbitrator should consider that the parties successfully negotiated a Collective Bargaining Agreement slightly over one year ago which contained the salary matrix proposed by the Union. Nothing could be more similarly situated in terms of "comparable" situations than the same parties negotiated the year earlier. It alleges that the parties concluded the Agreement with all of the applicable factors in mind so that the Union cannot argue now that a year earlier in negotiated wage rates which one year later are grossly inadequate.

Such an argument fails to take into consideration the fact that the cost of living had increased in a year so that the Police Officers lost buying power which in itself is a reason for seeking an increase.

If one looks at the chart establishing the Union comparables appearing on page 8 of this Award, it can be seen that the City of Carterville is the closest to Nashville in the areas of population, median home value, per capita income and area to be policed. No information forming a basis for comparison of that City with Nashville was available as that Police force had just recently petitioned for recognition and was negotiating a contract.

The next closest city to Nashville in those same areas covered in the chart is Caseyville with the exception of larger square miles to be policed. Caseyville's Collective Bargaining Agreement shows that the yearly salary of their Patrolmen in 1995 was $30,014.00. Under the matrix, the highest 199t salary is $28,184.00 and this close approximation occurs after 30 years of service.

Illinois State Labor Relations Board Act and its rules and regulations in factor 4 provides:

> "Comparison of wages and conditions of employment of the employees involved in the arbitration

proceeding with wages, hours, and conditions of employment of other employees performing similar services with other employees generally (a) in public employment in comparable communities." (Emphasis supplied.)

Thus, the Act seems to indicate that the comparison with one community alone doesn't comply with the statute and regulations. While a comparison of Caseyville with Nashville may not comply with the law, it does, however, illustrate the great disparity between wages.

The foregoing analysis covinces me that the Union's comparables are valid and should be used.

COST OF LIVING FACTOR

In the City's presentation, counsel indicated that in making their $.30 per hour increase across the board for each FY year, the City took into consideration inflation as indicated by the Consumer Price Index which was pretty well fixed at around 2.7 to 2.8% and added a little more.

The Union, using the May 1995 Nashville Police Officers' salaries as shown by the May 1995 matrix and using the CPI-U of 152 representing the then cost of living, converted those salaries into constant dollars.[1] After so doing, using the May 1996 CPI-U, which was then at 156.6 representing the change in the inflation rate over the year before, it converted the Nashville Police Officers' May 1995 salaries into constant dollars as of May 1996. In that way, it was able to show what the dollar amount of buying power lost by the Officers in each step of the matrix.

[1]This is an adjustment to eliminate the impact of price changes between different years.

The following chart shows the results thereof, which at every step shows a loss of 2.81% in constant dollars from the 1995 salaries.

LOSS IN BUYING POWER FOR BARGAINING UNIT EMPLOYEES FOR THE PERIOD MAY 1995 THROUGH MAY 1996
USING U.S. CPI-U / 1982-84=100

Step In Plan	5/1/95 Salary	May-95 CPI-U	Salary In Constant $	May-96 Salary	May-96 CPI-U	Salary In Constant $	$ Loss In Buying Power	% Loss In Buying Power
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18	$25,688	152.2	$16,878	$25,688	156.6	$16,404	($474)	-2.81%
19	$25,896	152.2	$17,014	$25,896	156.6	$16,536	($478)	-2.81%
20	$26,104	152.2	$17,151	$26,104	156.6	$16,669	($482)	-2.81%
21	$26,312	152.2	$17,288	$26,312	156.6	$16,802	($486)	-2.81%
	$26,520	152.2	$17,424	$26,520	156.6	$16,935	($490)	-2.81%
	$26,728	152.2	$17,561	$26,728	156.6	$17,068	($493)	-2.81%
24	$26,936	152.2	$17,698	$26,936	156.6	$17,201	($497)	-2.81%
25	$27,144	152.2	$17,834	$27,144	156.6	$17,333	($501)	-2.81%
26	$27,352	152.2	$17,971	$27,352	156.6	$17,466	($505)	-2.81%
27	$27,560	152.2	$18,108	$27,560	156.6	$17,599	($509)	-2.81%
28	$27,768	152.2	$18,244	$27,768	156.6	$17,732	($513)	-2.81%
29	$27,976	152.2	$18,381	$27,976	156.6	$17,865	($516)	-2.81%
30	$28,184	152.2	$18,518	$28,184	156.6	$17,997	($520)	-2.81%

The arbitration hearing was in October of 1996. The Union, at that time, was not prepared to carry forward the inflationary changes and loss of buying power for that month, but did present the following chart which shows that between May and August or as of the 1st of September, 1996, the same employees had lost additional buying power of .45%.

LOSS IN BUYING POWER FOR BARGAINING UNIT EMPLOYEES FOR THE PERIOD MAY 1996 THROUGH SEPTEMBER 1996
USING U.S. CPI-U / 1982-84=100

Step In Plan	5/1/96 Salary	May-96 CPI-U	Salary In Constant $	Aug-96 Salary	Aug-96 CPI-U	Salary In Constant $	$ Loss In Buying Power	% Loss In Buying Power
Prob 1	$18,720	156.6	$11,954	$18,720	157.3	$11,901	($53)	-0.45%
Prob 2	$19,760	156.6	$12,618	$19,760	157.3	$12,562	($56)	-0.45%
1	$20,800	156.6	$13,282	$20,800	157.3	$13,223	($59)	-0.45%
2	$21,216	156.6	$13,548	$21,216	157.3	$13,488	($60)	-0.45%
3	$21,632	156.6	$13,814	$21,632	157.3	$13,752	($61)	-0.45%
4	$22,048	156.6	$14,079	$22,048	157.3	$14,017	($63)	-0.45%
5	$22,464	156.6	$14,345	$22,464	157.3	$14,281	($64)	-0.45%
6	$22,776	156.6	$14,544	$22,776	157.3	$14,479	($65)	-0.45%
7	$23,088	156.6	$14,743	$23,088	157.3	$14,678	($66)	-0.45%
8	$23,400	156.6	$14,943	$23,400	157.3	$14,876	($66)	-0.45%
9	$23,712	156.6	$15,142	$23,712	157.3	$15,074	($67)	-0.45%
10	$24,024	156.6	$15,341	$24,024	157.3	$15,273	($68)	-0.45%
11	$24,232	156.6	$15,474	$24,232	157.3	$15,405	($69)	-0.45%
12	$24,440	156.6	$15,607	$24,440	157.3	$15,537	($69)	-0.45%
13	$24,648	156.6	$15,739	$24,648	157.3	$15,669	($70)	-0.45%
14	$24,856	156.6	$15,872	$24,856	157.3	$15,802	($71)	-0.45%
15	$25,064	156.6	$16,005	$25,064	157.3	$15,934	($71)	-0.45%
16	$25,272	156.6	$16,138	$25,272	157.3	$16,066	($72)	-0.45%
17	$25,480	156.6	$16,271	$25,480	157.3	$16,198	($72)	-0.45%
18	$25,688	156.6	$16,404	$25,688	157.3	$16,331	($73)	-0.45%
19	$25,896	156.6	$16,536	$25,896	157.3	$16,463	($74)	-0.45%
20	$26,104	156.6	$16,669	$26,104	157.3	$16,595	($74)	-0.45%
21	$26,312	156.6	$16,802	$26,312	157.3	$16,727	($75)	-0.45%
22	$26,520	156.6	$16,935	$26,520	157.3	$16,860	($75)	-0.45%
23	$26,728	156.6	$17,068	$26,728	157.3	$16,992	($76)	-0.45%
[illegible]	$26,936	156.6	$17,201	$26,936	157.3	$17,124	($77)	-0.45%
	$27,144	156.6	$17,333	$27,144	157.3	$17,256	($77)	-0.45%
26	$27,352	156.6	$17,466	$27,352	157.3	$17,388	($78)	-0.45%
27	$27,560	156.6	$17,599	$27,560	157.3	$17,521	($78)	-0.45%
28	$27,768	156.6	$17,732	$27,768	157.3	$17,653	($79)	-0.45%
29	$27,976	156.6	$17,865	$27,976	157.3	$17,785	($79)	-0.45%
30	$28,184	156.6	$17,997	$28,184	157.3	$17,917	($80)	-0.45%

The Bureau of Labor Statistics provides monthly releases of the Consumer Price Index. In its brief, the Union states: "Since August of 1996, the Consumer Price Index for all urban consumers has risen an additional 1.3 index points. The results of such increase in the index is that the Bargaining Unit employees have now lost 1.25% to the cost of living from May 1996 through November 1996 as opposed to the 45% they lost in May to August 1996. Thus, since their last pay increase in May 1995, the employees' purchasing power has eroded by 4.03%. (2.81% + 1.25% totals 4.06%)

As heretofore stated, there is a need to convert actual dollars to constant dollars in order to compare the impact of the price change. The Union's $.40 proposal for each of the fiscal years involved was an increase of $832.00 for all Police Officers in both fiscal years with the exception of Rick Harris which is a separate matter. As the Union brief indicates, the total cost of living for 1995 through November 1996, approximately the time of the arbitration hearing, increased 4.06%. When I attempt to convert the $832.00 into constant dollars, I calculated $832.00 converted the constant dollars in the amount of $640.00 constant dollars as to the 1995 salaries. Thus, I calculate 4.18% increase in constant dollars. The Union which is more experienced in converting to constant dollars, in its brief, indicated the figure was 4.03. These percentage figures represent the decrease in buying power over the 1995 salaries. As the Union argues, with the cost of living index increasing 4.06% over the same period, the $.40 increase converted to constant dollars would only approximate the cost of living increase.

The City argues that the Union does not dispute $.30 an hour to the wage index exceeds the cost of living. Thus, the fifth factor cost of living to be considered under Section (h) indicates the City's offer more nearly complies with that factor than the Union offer.

It also argues that the Arbitrator must consider the matrix gives raises each year in addition to the wage increase added to the next matrix in determining whether the increases equal or exceed the increase in the cost of living index as compared to other similarly situated employees.

In the City's presentation, it was stated that the $.30 an hour increase (3%) was a little more than that.

The Union, in its presentation and in its brief, calculates that the cost of living index in 1995 to November 1996 rose 4.3%. It would then appear that the City's offer, which includes a 2.7% or 2.8% inflation covering costs of living, falls short of matching the cost of living and a consequent loss of buying power.

The Union presented a chart showing the overall costs of the Union's proposal and the existing longevity system which is as follows:

OVERALL COSTS OF UNION'S PROPOSAL AND EXISTING LONGEVITY SYSTEM BY EMPLOYEE

FISCAL YEAR 1995-96

Employee	Date of Hire	Yrs. of Serv.	5/1/95 Salary	May 1995 - April 1996 Step Movement
C. Davis	10/1/60	26	$27,560	$27,760
R. Harris	6/1/86	8	$27,240	$0
R. Zoeckler	1/1/91	4	$22,040	$22,464
D. Haslett	5/10/95	-	$18,720	$19,760
Total Salary	-	-	$95,576	
Total Longevity:				$1,240

FISCAL YEAR 96-97 - First Year In Dispute

Employee	Date of Hire	Yrs. of Serv.	Current Salary	Union's Proposed May 1996 Increase	Total $ Increase	Total % Increase
C. Davis	10/1/60	27	$27,760	$28,600	$832	3.00%
R. Harris	6/1/86	9	$27,240	$27,352	$104	0.38%
R. Zoeckler	1/1/91	5	$22,464	$23,296	$832	3.70%
D. Haslett	5/10/95	1	$19,760	$20,592	$832	4.21%
Total Salary	-	-	$97,240	$99,840	$2,600	2.82%

FISCAL YEAR 97-98 - Second Year In Dispute

Employee	Date of Hire	Yrs. of Serv.	5/1/96 Salary	May 96 to April 97 Step Movement	Union's 5/97 Proposal	Total $ Increase	Total % Increase
C. Davis	10/1/60	28	$28,600	$28,808	$29,640	$832	2.89%
R. Harris	6/1/86	10	$27,352	$0	$28,184	$832	3.04%
R. Zoeckler	1/1/91	6	$23,296	$23,608	$24,440	$832	3.52%
D. Haslett	5/10/95	2	$20,592	$21,632	$22,464	$832	3.85%
Total Salary	-	-	$99,840		$104,728	$3,328	3.33%
Total Longevity:				$1,560			

OVERALL SALARY INCREASE OF UNION'S PROPOSAL:	$5,928
OVERALL LONGEVITY INCREASE PREVIOUSLY NEGOTIATED:	$2,808
TOTAL DOLLARS OVER TWO YEARS:	$8,736

At the outset of this discussion, I indicated that all of the factors an Arbitrator is to take into consideration in determining which Final Offer to accept had been agreed on except the factors on comparables and cost of living. Those agreed upon factors would support an Award for either party. When I consider that $.40 offer still leaves Nashville Police Officers behind the comparable jurisdictions with respect to salaries and that the $.40 offer, when converted to constant dollars as to FY 96-97, barely keeps the Officers buying power equal to the increase in cost of living, which is something the City's offer will not do, the evidence preponderates in favor of the Union's offer as to wages. Accordingly, the offer of the Union as to wages is adopted.

RICK HARRIS PAY STATUS ISSUE

In June 1986, Harris became Chief of Police. Before any Collective Bargaining Agreement was reached with the City, the City Council meeting minutes of November 3, 1994 reflect that the Police Committee and Chief Harris had evaluated the operation of the Police Department and due to the extra administrative requirements, made the recommendation that the Police Chief, Rick Harris, take over the DARE Program and take a position as a Patrolman, relinquishing his position as Chief of Police.

The minutes also reflect that in stepping down, his salary was to be frozen at the then Chief's rate of $13.10 an hour or $27,248.00 a year. His pay, at that level, would be frozen for one and a half years or to May 1996, at which time his pay would be reviewed along with the regular employees.

The evidence would indicate that Harris, as the DARE Officer, has done an outstanding job gaining statewide recognization.

The 1995 wage rate/longevity as negotiated by the Union in 1995 establishes a matrix under which hourly rate and annual salaries are established for each year of service in the Police Department. Under that schedule, a 9-year Officer,[1] such as Rick Harris, was to be paid $11.40 an hour or $27,352.00 a year, which is $3,353.60 less than his present salary. The matrix reflects that

[1] Actually, 9 plus years as the Amendment to the matrix starts May 1, 1996.

$27,352.00. Thus, under the matrix, Harris' wage was placed at the 9-year level of $23,712.00. He would have to serve an additional 16 years before he reached his present salary.

Recognizing placing him at the 9-year level of the matrix would be grossly unfair, the parties' Final Offers were:

> **UNION OFFER PROPOSES:** that he be moved into the wage matrix to the next highest step effective May 1, 1996, which would be from $13.10 an hour to $13.15 an hour which is the matrix rate for a Police Officer with service of 26 years; that Harris forego the longevity increases established in the wage matrix until he catches up with years of service, but that effective May 1, 1997 and thereafter, he receive any wage adjustments made to the matrix.
>
> **CITY OFFER PROPOSES:** Increase Harris' salary of $13.10 per hour to $13.15 per hour and leave him at that salary level as it is until the seniority matrix that is in the Collective Bargaining Agreement catches up with him.

The Union contends that if the Arbitrator adopts the City's Final Offer on wages and on Officer Harris' pay, also assuming for the sake of example that the parties negotiated a $.30 increase for every year after FY 97-98, the matrix would catch up to Officer Harris' salary until the year 2000 which means that Harris would not receive an increase in wages from 1994 for six years.

The Union, at the hearing presented a chart showing the history of impact of the cost of living on Harris' salary since November 1994, which is as follows:

November 1994 through May 1995

Nov-94 Salary	Nov-94 CPI-U	Salary In Constant $	May-95 Salary	May-95 CPI-U	Salary In Constant $	$ Loss In Buying Power	% Loss In Buying Power
$27,248	149.70	$18,202	$27,248	152.2	$17,903	($299)	-1.64%

May 1995 through May 1996

May-95 Salary	May-95 CPI-U	Salary In Constant $	May-96 Salary	May-96 CPI-U	Salary In Constant $	$ Loss In Buying Power	% Loss In Buying Power
$27,248	152.2	$17,903	$27,248	156.6	$17,400	($503)	-2.81%

May 1996 through August 1996

May-96 Salary	May-96 CPI-U	Salary In Constant $	Aug-96 Salary	May-96 CPI-U	Salary In Constant $	$ Loss In Buying Power	% Loss In Buying Power
$27,248	156.6	$17,400	$27,248	157.3	$17,322	($77)	-0.45%

Cumulative Loss In Buying Power November 1994 through August 1996: -4.83%

In the Union's brief, it attached a chart showing the years taken for the matrix to catch up with Officer Harris' years of service if the City's proposal was adopted and assuming future $.30 an hour increase. This includes a $.05 raise which appears in each party's Final Offer, will bring up his matrix salary in the year 2000 or in five years. This chart is as follows:

Harris' years of service:		9 yrs.	10 yrs.	11 yrs.	12 yrs.	13 yrs.
Step In Plan	5/1/95	5/1/96	5/1/97	5/1/98	5/1/99	5/1/00
prob 1	9.00	9.30	9.60	9.90	10.20	10.50
prob 2	9.50	9.80	10.10	10.40	10.70	11.00
1	10.00	10.30	10.60	10.90	11.20	11.50
2	10.20	10.50	10.80	11.10	11.40	11.70
3	10.40	10.70	11.00	11.30	11.60	11.90
4	10.60	10.90	11.20	11.50	11.80	12.10
5	10.80	11.10	11.40	11.70	12.00	12.30
6	10.95	11.25	11.55	11.85	12.15	12.45
7	11.10	11.40	11.70	12.00	12.30	12.60
8	11.25	11.55	11.85	12.15	12.45	12.75
9	11.40	11.70	12.00	12.30	12.60	12.90
10	11.55	11.85	12.15	12.45	12.75	13.05
11	11.65	11.95	12.25	12.55	12.85	13.15
12	11.75	12.05	12.35	12.65	12.95	13.25
13	11.85	12.15	12.45	12.75	13.05	13.35
14	11.95	12.25	12.55	12.85	13.15	13.45
15	12.05	12.35	12.65	12.95	13.25	13.55
16	12.15	12.45	12.75	13.05	13.35	13.65
17	12.25	12.55	12.85	13.15	13.45	13.75
18	12.35	12.65	12.95	13.25	13.55	13.85
19	12.45	12.75	13.05	13.35	13.65	13.95
20	12.55	12.85	13.15	13.45	13.75	14.05
21	12.65	12.95	13.25	13.55	13.85	14.15
22	12.75	13.05	13.35	13.65	13.95	14.25
23	12.85	13.15	13.45	13.75	14.05	14.35
24	12.95	13.25	13.55	13.85	14.15	14.45
25	13.05	13.35	13.65	13.95	14.25	14.55
26	13.15	13.45	13.75	14.05	14.35	14.65
27	13.25	13.55	13.85	14.15	14.45	14.75
28	13.35	13.65	13.95	14.25	14.55	14.85
29	13.45	13.75	14.05	14.35	14.65	14.95
30	13.55	13.85	14.15	14.45	14.75	15.05

The Union argues that the Employer gave no indication in the minutes of the City Council meeting that it intended to freeze Officer Harris' salary for the next five years. To the contrary, the City gave every indication to Officer Harris that his salary would be raised with other employees in May 1996. This is not quite accurate. The minutes reflect the following with respect to Harris:

"Will be subject to review on 5/1/97."

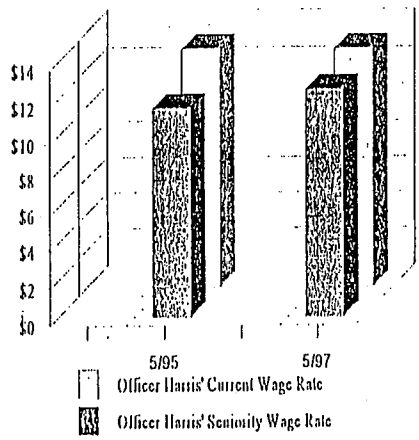
It argues that Officer Harris is entitled to some form of general wage increase to offset the erosion of his purchasing power due to inflation. This is what the

Union's offer was. It further argues that applying the same formulas as were used for the Bargaining Unit as a whole in order to calculate the impact of the cost of living, Officer Harris has lost 4.83% to the cost of living since November 1994 which his salary was frozen.[1]

Utilizing the Consumer Price Index numbers of the Bureau of Labor Statistics which were released for the months of September, October and November, it calculates Officer Harris' salary now buys 5.61% less than it did in November 1994. It contends that while it is impossible to predict what will happen with inflation or Consumer Price Index beyond the most recent figures available, it simply is not appropriate to allow Officer Harris' salary to continue to be eroded away year after year until the matrix catches up to his years of service.

The City, in its presentation, contended that the City Council notes on their face do not support any such argument since there was no promise of a raise after a year and a half. The City presented an exhibit showing how much more Harris is getting each year than what he is supposed to be getting under the matrix on his seniority level. It shows that he made, as of May 1, 1995, $3,536.00 more by keeping his Chief of Police salary constant than he would have made under the Union's salary matrix. As of May 1, 1996, this sum was $3,016.00 and as of May 1, 1997 it will be $2,406.00 or a total of $8,958.00 during the Contract period from May 1, 1995 to May 1, 1997.[1] This is illustrated in the following charts which were submitted in evidence:

Union's Seniority Matrix



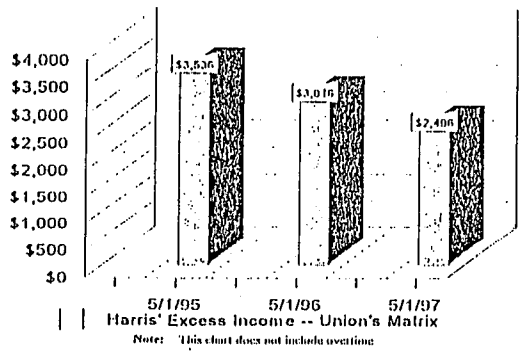
[1]This figure is taken from the chart covering the history of the impact of cost of living on Harris' salary.

[2]See the next chart.

The City also introduced into evidence a chart which shows the excess compensation of Harris under the Union's matrix proposal, to wit:

Excess Compensation of Harris Under

Employer's Matrix Proposal



Note: This chart does not include overtime

5/1/95

Harris' Current Wage	$13.10		
Harris' Seniority Wage	- $11.40		
	$ 1.70	* 2,080 hours =	$3,536.00

5/1/96

Harris' Current Wage	$13.10		
Harris' Seniority Wage	- $11.65		
	$ 1.45	* 2,080 hours =	$3,016.00

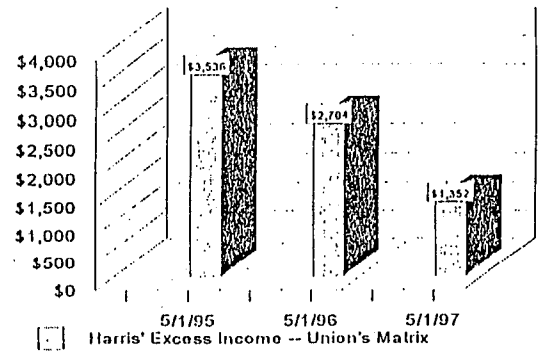
5/1/97

Harris' Current Wage	$13.10		
Harris' Seniority Wage	- $11.90		
	$ 1.20	* 2,080 hours =	$2,496.00

The City made a similar chart also introduced into evidence showing the excess compensation of Harris under the Union's matrix proposal, to wit:

Excess Compensation of Harris Under

Union's Matrix Proposal



Note: This chart does not include overtime.

5/1/95

Harris' Current Wage	$13.10		
Harris' Seniority Wage	- $11.40		
	$ 1.70	* 2,080 hours =	$3,536.00

5/1/96

Harris' Current Wage	$13.10		
Harris' Seniority Wage	- $11.80		
	$ 1.30	* 2,080 hours =	$2,704.00

5/1/97

Harris' Current Wage	$13.10		
Harris' Seniority Wage	- $21.45		
	$ .65	* 2,080 hours =	$1,352.00

This excess compensation totals $7,592.00 as opposed to $8,958.00, a difference of $1,366.00.

In its presentation, the City noted that the Union's proposal of freezing Harris at a level of $13.15 and then letting him go up at that level of seniority in the matrix until the matrix catches up with him, it noted that this is not possible because if you look at the matrix, one will note Harris is given the same raises as the other Officers. In its brief, the City argues that if Harris was red circled, the Union claims that he would stay in his level in the matrix until his years of service catch of with his level. His salary would never catch up with his level in the matrix in the Union's proposal. Rather, he would forever be guaranteed that he earned more than he should be earning with his seniority under the salary matrix.

The automatic raises in the salary matrix are generally $.20 for an additional year of longevity for Officers in the first half of the matrix and $.10 per year of longevity for Officers in the second half of the matrix. It argues that unless the Consumer Price Index rate of increase goes below 1% or the Union and Employer agree to give raises below the increase of the Consumer Price Index, the salary matrix will never catch up with Officer Harris.

DISCUSSION OF THE ISSUE

The City in its brief claims that if Officer Harris, as the Union proposes, was "red circled", then he would stay in his level on the matrix until his years of service catch up with his level on the matrix. This claim is illusionary as the salary of Harris would never catch up with his level on the matrix under the Union's proposal. Rather, he would forever be guaranteed that he would earn more than he should be earning with his seniority under the salary matrix.

I have heretofore set out a chart submitted by the Union in its brief which calculates the years taken for the matrix to catch up with Officer Harris' years of service if the Employer's proposals are adopted and assuming future $.30 increases. That chart shows that on 5/1/2000 he would arrive at the $13.15 level. This figure takes into consideration that he be given a $.05 raise over his present hourly rate and then frozen at that point until he reaches $13.15 level in the year 2000. This would place him, at that time, at step 23 in the matrix and he would then follow the steps in the matrix at the 24-30th level.

That assumption was based upon assuming that there would be a $.30 raise each year through the year 2000. Using the same formula with the assumption of the Union's proposed increase of $.40 for those same years, as the chart would then show, he would, also in the year 2000, reach the $13.15 hourly level.

The above figures show, contrary to the City's contention, that Harris will, in fact, given the assumed raises as that given others, he would reach his salary level in the year 2000. After the year 2000, he would receive an increase in his present salary by whatever amount was negotiated for those years.

As appears on page 29, the Union made a calculation as to the amount of loss in buying power which Harris suffered. That chart would indicate that from November 1994, when Harris' salary was fixed at $13.10, he has lost 4.9% in buying power. By just using the Consumer Price Index numbers as released in November 1996, it calculates that his purchasing power now buys 5.6% less than it did in November 1994. It urges that he shouldn't lose any buying power merely because his salary with the City's proposal was to be until the seniority matrix catches up to his $13.15 per hour or $27,352.00 per year.

Under the matrix, $13.15 an hour or $27,352.00 per year is reached in the 26th year of service. The City contends that $.30 an hour increase takes into consideration 2.7% or 2.8% in cost of living increase. The Union's exhibit on page 29 under which it calculates a loss of buying power in the years 1994 through May 1995 sets out the cost of living increases in each of the three years. This chart shows that from November 1994, when Harris stepped down as Chief of Police, to May 1995, the increase in the cost of living index was 2.5% (152.2 - 149.7). The same chart shows that from 1995 to 1996 the cost of living increased 4.4% (156.6 - 152.2). The chart shows from May 1996 to August 1996 the cost of living increased .007% (157.3 - 156.6).

The only reason Harris is not in the matrix is that he, not the Union, negotiated a continuation of his salary of $13.10 an hour or $27,248.00 a year. The City and Union offers an increase of $.05 an hour in order to get him into the matrix 26 year of service figure of $27,352.00.

The City submitted a chart showing Harris' excess income compared with his 9-year of service matrix indicates

what his salary should be under the Collective Bargaining Agreement. This shows that the difference between Harris' current wage and his matrix wage. It further shows that on May 1, 1995 his current salary was $3,536.00 more than his matrix salary. In May 1, 1996, the difference was $3,016.00.

Using the Union's cost of living figures for November 1994 through May 1995, May 1995 through May 1996, and May 1996 through August 1996, I applied those percentage figures to his offer of $27,352.00 in order to ascertain his loss in that salary due to the cost of living. I then subtracted that figure from the difference from the City's calculation in order to demonstrate the effect of the loss due to the cost of living increase on the City's calculated gain for each year. The following chart shows the result of that computation:

Period	Salary		Union's Increase in Cost of Living		Loss to Cost of Living	Harris' Gain Computation Based on Matrix Level as Exh. #4	Gain Over Cost of Living
5/1/94 to 5/1/95	$27,352.00	X	.025%	=	686.05	$3,538.00	$2,851.95
5/1/95 to 5/1/96	$27,352.00	X	.044%	=	1,208.48	$3,014.00	$1,808.57
5/1/96 to 8/1/96	$27,352.00	X	.007%	=	191.40	$2,486.00 per yr. $ 828.46 (4 months)	$ 637.26

As can be seen from the foregoing, a City calculated gain over Harris' matrix salaries. It can be seen from the foregoing, while he has lost dollars due to the increase of the cost of living, he has gained more than he would have if the cost of living had been applied to his matrix salary.

Harris is the victim of Collective Bargaining. The City agreed to the 1995 negotiated matrix. Harris has nine years of service. Under the matrix, that puts his salary at level 9 of $11.40 an hour or $23,712.00 per year.

The Union negotiated Officers' salaries as shown in the matrix. If it were not for the fact that he had negotiated a better deal sooner to May 1, 1996, he would have been slotted under the matrix.

The City Council, in agreeing to freezing Harris' wages as Chief of Police until May 1, 1996, indicated that it would review his wages at that time along with other City employees. After this agreement, the City agreed to the matrix which calls for a $23,712.00 salary at Harris' level. The making of an offer to increase his hourly salary by $.05 and then keep him at that salary until the matrix figure and his salary of $13.15 an hour is, in fact, such a review. It would, according to the Union exhibit, will occur in the year 2000.

In this arbitration, we are only concerned with two fiscal years ending in 1998. The Union argues that Harris is entitled to some form of general wage increase to offset the erosion of his purchasing power due to inflation. Utilizing the Consumer Price Index numbers that the Bureau of Labor Statistics has released for the months of September, October and November, the Union contends Harris' salary now buys, when converted to constant dollars, 5.61% less than what it did in November 1994. This contention ignores the fact that the Union has contracted for him a wage level of 9 or $23,712.00 a year. He would be entitled, under the Collective Bargaining Agreement, to that salary plus any negotiated hourly increases, nothing more. The City, in agreeing to an increase in his hourly rate by $.05 and hold him to $27,486.00 for FY 96-97 and FY 97-98, is making an exception in his case, which it did not have to under the Contract.

When I consider that the figures assured him of a larger salary over the matrix salary and that giving consideration to the effect of the cost of living reduction whoch shows, in spite of his cost of living loss, was not as great as the amount he was able to return, the City offers indicates he is being treated better than he is entitled to under the Collective Bargaining Agreement, I can only conclude that the City's offer should be adopted.

AWARD

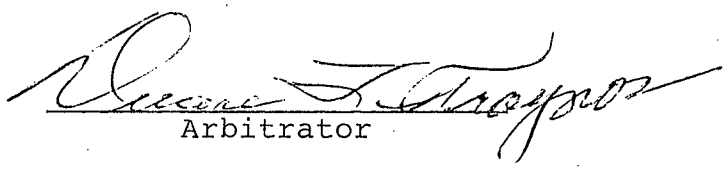
The Union's Offer as to wages is adopted. The City is to issue separate checks covering past due salary increase.

The City's Offer with respect to Rick Harris is adopted.

Pursuant to agreement of the parties, Article 2 dealing with holidays, Section 1, should read:

> "The following holidays shall be recognized and observed as paid holidays:
>
> Labor Day
> Veteran's Day
> Thanksgiving Day
> Friday following Thanksgiving
> Christmas Day
> Christmas Eve

Dated at Springfield, Illinois this 6th day of February, 1997.



Arbitrator