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Illinois State Lab Rel. Bd.
SPRINGFIELD, ILLINOIS

In The Matter of the Arbitration Between)

Public Safety Employees Association[1])

and)

City of Galesburg)

ISLRB No. S-MA-96-172)

OPINION AND AWARD

The hearing in the above captioned matter was held on December 9, 1996, at Galesburg City Hall in Galesburg, Illinois, before Martin H. Malin, serving as the sole impartial arbitrator by selection of the parties. The Union was represented by Mr. Sean Smoot, its attorney. The Employer was represented by Mr. Donald Anderson, its attorney. The hearing was held pursuant to Section 14 of the Illinois Public Labor Relations Act (IPLRA). Although Section 14(b) provides for each party to select one delegate to a three-member arbitration panel, the parties waived their rights to delegates and stipulated that I decide the outstanding issues as sole arbitrator (Tr.5).

At the hearing, both parties were afforded full opportunity to call, examine and cross-examine witnesses, introduce documentary evidence and present arguments. A verbatim record of the hearing was maintained and a transcript was produced. Both parties filed post-hearing briefs.

The Issues

The following, stipulated economic issues are before me for resolution (Tr. 5):

Wages for the 1996-97 fiscal year;

Health insurance premium contribution by the City for the 1996-97 fiscal year.

(Note - These issues were negotiated pursuant to reopener provisions in the parties' collective bargaining agreement which, otherwise, runs through March 31, 1998.)

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1 Under contract with the Policemen's Benevolent Labor Committee, Inc.

The Statutory Factors

Section 14(h) of the IPLRA provides for the arbitrator to base his findings on the following factors:

(1) The lawful authority of the parties.

(2) Stipulations of the parties.

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

(4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employers 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.

As I have stated elsewhere,[2] interest arbitration represents the breakdown of the parties' collective bargaining process. The arbitrator's function is to determine what contract terms the parties most likely would have agreed to if the collective bargaining process had not broken down. The weight to be given each factor listed in Section 14(h) is to be assessed in light of their value in making such a determination.

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2 Malin, *Public Employees' Right to Strike: Law and Experience*, 26 U. MICH. J. L. REF. 313, 333 (1993).

Some of the statutory factors do not require much discussion. There is no contention that any of the final offers submitted by either party is beyond the lawful authority of the employer. I will consider any stipulations which may be relevant in connection with the particular issue or issues to which they may be relevant. There is no dispute that the City has the ability to pay for either its final offers or the Union's final offers. Except for some minor changes in the Consumer Price Index, neither party reported any changes in circumstances during the pendency of these proceedings.

The parties have stipulated that the following communities are comparable to Galesburg (Jt. Ex. 2): Alton, Danville, DeKalb, Granite City, Kankakee, Normal, Pekin, Quincy, Rock Island and Urbana.

Wages for Fiscal Year 1996-97

Union's Final Offer: Effective 4/1/96, a 3.25% general wage increase retroactive to 4/1/96 for all hours worked.

City's Final Offer: An across the board wage increase of 2.85%, effective April 1, 1996.

Background: The City has a population of approximately 33,530 and is located in western Illinois, equidistant from Peoria and the Quad Cities (City Exs. 1A, 1B). The bargaining unit contains 41 employees. The average employee is in his eleventh year of service. In addition, the City has collective bargaining relationships with AFSCME, representing 90 clerical and public works employees, and with IAFF Local 555, representing 43 firefighters and fire captains (City Ex. 3B).

The evidence presented on the wage issue fell into three categories: internal comparability, external comparability and cost of living. Concerning internal comparability, evidence (City Ex. 7) showed the base wage increases for this bargaining unit and four other groups: the AFSCME unit, the IAFF unit, non-union employees and management. In 1985, each group received a 3 percent increase. In 1986 and 1987, each group received 2 percent increases. In 1988, each group received a 4.5 percent increase. In 1989 and 1990, each group received 4 percent increases. In 1991, each group received a 4.5 percent increase.

In 1992, police, fire and AFSCME each received a 3 percent increase, while non-union employees and management each received increases of $ 1,000.00. In 1993, each group

received a 3.5 percent increase. In 1994 and 1995, each group received increases of 3 percent.

In 1996, non-union and management employees each received an increase of 2.875 percent, AFSCME received an increase of 2.85 percent and the IAFF received an increase of 2.75 percent. City Corporation Counsel Richard Barber, who served as chief negotiator in bargaining with all three unions, testified that the firefighter contract settled first at 2.75 percent. Later, the AFSCME contract settled at 2.85 percent and the City offered to increase the firefighter wage scale to make up the difference, but the union rejected the offer (Tr. 80-81).

Prior to 1992, City employees had a six step salary structure.[3] In 1992 negotiations the Union and the City agreed to a nine step structure for police officers hired on or after April 1, 1992. Under this structure, the first step was increased 5 percent, but increments between steps were reduced from 5 percent to 2.5 percent, with it taking eight years instead of five to reach the highest step. The parties also agreed to eliminate a 2 percent longevity increase after five years for new hires. As a quid pro quo, the City agreed to a one-time payment of $550.00 to each member of the bargaining unit. In 1993 negotiations, AFSCME agreed to a similar structure containing eleven steps.

In 1994 negotiations, the City proposed a similar change to the IAFF. The parties did not reach agreement and the matter proceeded to interest arbitration. Arbitrator Barbara Doering, the neutral chair of the arbitration panel, agreed with the City's elimination of the five year longevity increase for firefighters hired after April 1, 1994, but rejected the City's proposal to alter the salary schedule to a structure resembling the one used by the police. In so doing, Arbitrator Doering observed that in 1988, when two steps were added to the firefighter salary schedule, the apparent quid pro quo given by the City was a substantial increase in its contribution to dependent health insurance premiums. She observed that had the City made a similar offer in 1994, "there might be some basis" for entertaining it. Instead, however, the City offered a cash bonus, which Arbitrator Doering did not accept. The other possible quid pro quo was the IAFF's proposal to change the structure of the health insurance premiums, a matter that Arbitrator Doering also rejected. Consequently, while adopting the City's offer on new hire longevity "to make it clear that some kind of alteration in the pay schedule is still very much an issue," Arbitrator Doering rejected the City's proposal on the number of steps for new hires and the IAFF's proposal to restructure health insurance premiums,

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3 Firefighters effectively had a four step structure until 1988, when they agreed to a six step structure.

thereby, "leaving the actual design and quid pro quo [for a new salary schedule] to be worked out in the next round of bargaining."[4]

Wages increased in 1996 in each of the ten comparable communities.[5] Police in Danville, DeKalb and Urbana received 4 percent increases. Officers in Alton received a 3.5 percent increase and in Normal 3.25 percent. Officers in Granite City, Kankakee and Quincy received 3 percent raises. Police in Rock Island received a 2 percent increase in April 1996 and another 2 percent increase in October 1996. The City averages this to a 3 percent increase for the year, while the Union claims that the increase is 4 percent as this is the total increase in base pay at the end of the contract year. Police in Pekin received an increase of $900.00, which ranges from an increase of 3.46 percent for officers at the bottom of the wage schedule to 2.43 percent for those at the top. A Pekin officer in his eleventh year of service received a 2.55 percent increase.

The following table shows the relative ranking for the City against the comparable communities for the 1995-96 fiscal year, and for each final offer for the 1996-97 fiscal year, for each year of service. I have constructed it from Union Exhibits 19 and 20 and the City's revision of those exhibits. I note that the major discrepancy between the Union and City versions relates to calculating the salaries for Alton in the second and third years of service. The differences, however, do not affect the ranking for Galesburg. Note that the table accords 0.5 where Galesburg falls between the tiers of Urbana's two-tiered wage scale. Where two numbers are given in a category, the first reflects the Galesburg ranking considering Rock Island's salaries on April 1, 1996, and the second considers Rock Island's salaries on October 1, 1996.

Yr. of Service	1995-96	City Offer	Union Offer
1	7	7	7
2	9	9	9
3	9	9	9
4	9	10	10
5	9	9	9
6	6	5.5	4.5
7	6	5,6	5,6

4 My discussion of the history of salary structure negotiations for all three bargaining units is drawn from Arbitrator Doering's award (City Ex. 5), verified to the extent possible from other documents introduced into evidence.

5 All data for this discussion is taken from City Ex. R28 and Un. Ex. 29

8	7	6,7	6,7
9	7	6,7	6,7
10	8	8,9	8,9
11	5	7,8	6,7
12	6	7,8	6,7
13	6	7,8	6,7
14	6	7,8	6,7
15	7	7,8	7,8
16	6	7,8	7,8
17	7	7,8	7,8
18	7	7,8	7,8
19	7	7,8	7,8
20	7	7,8	7,8
21	6	7,8	7,8
22	6	7,8	7,8
23	6	7,8	7,8
24	6	7,8	7,8
25	6	7,8	7,8
26	5	6,7	5,6

With respect to the cost of living, both parties introduced evidence from the Bureau of Labor Statistics concerning the increase in the Consumer Price Index. Data introduced at various points in the record reflect an increase of 2.84 percent from March 1995 to March 1996, 2.89 percent from April 1995 to April 1996, 2.8 percent from June 1995 to June 1996, 2.99 percent from October 1995 to October 1996, and 3.3 percent from December 1995 to December 1996, with an average of 3 percent for 1996. In December 1996 a congressional advisory panel concluded that the CPI overstates the cost of living by more than one-third.

Positions of the Parties: The City argues that its offer of 2.85 percent is in keeping with the increase granted to all other City employees and, accordingly should be adopted. The City maintains that there has been a pattern of identical percentage increases to all bargaining units since at least 1985. The only exception came in 1996, when AFSCME agreed to 2.85 percent after the IAFF had agreed to 2.75 percent. The City urges that this not detract from the overall pattern because the city offered the additional 0.1 percent to the IAFF which rejected the offer.

The City contends that the absence of a two-tiered wage structure in the IAFF contract does not detract from its position. The City contends that it sought such a provision in interest arbitration but was not successful. The City urges that the Union agreed to the two tiered structure and received a quid pro quo for its agreement and, therefore, should not be allowed to complain of the effects of that agreement.

The City cites numerous other arbitration awards which it claims stand for the proposition that a pattern of

internal comparability should be given greater weight than external comparability. It argues that the Union bears a heavy burden of persuasion to break the pattern. It maintains that the Union has failed to carry that burden.

The City argues that the external comparables do not provide a basis for breaking the pattern of internal comparability. The City maintains that in most instances the difference between the two offers has no effect on Galesburg's ranking against the other ten communities. Furthermore, the City maintains that the figures understate Galesburg's real position because they do not take into account education pay. In the City's view, such pay should be considered because 31 of the 41 members of the bargaining unit are eligible for it, and when considered, Galesburg's position improves considerably. Moreover, the City maintains, the most common raise in the comparable communities was 3 percent, a figure closer to the city's offer than the Union's.

The City also contends that its position is supported by the cost of living data in the record. The City argues that the most relevant data concerns the increase in the cost of living as of the date an agreement would have been negotiated. This data shows increases at or below the City's offer. Furthermore, the City urges that the CPI be discounted because it has been shown to overstate the actual increase in the cost of living.

The Union argues that the internal comparables should be discounted because the pattern already has been broken for 1996. Furthermore, the Union maintains, the internal comparables are misleading because the IAFF does not have a two-tiered wage structure comparable to the police. The statute expressly looks to external comparability and does not mention internal comparability.

The Union urges that the external comparability data supports its final offer. The Union contends that the City's final offer is lower than the raise police received in virtually every other comparable community. Furthermore, the Union disputes the city's contention that the most common raise was 3 percent. The Union claims that to get this figure, Rock Island has to be counted as a 3 percent increase. However, the contract ultimately increases base pay in Rock Island by 4 percent. When the 4 percent figure is used for Rock Island, it becomes the most common raise in comparable communities.

The Union also contends that the City's final offer lags behind the increase in the CPI for 1996. It urges that I disregard the City's claim that the CPI overstates the increase in the cost of living. It maintains that the CPI continues to be the generally accepted benchmark in

collective bargaining and should be used until there is a statutory directive otherwise. Finally, the Union maintains that the public interest weighs toward selection of the Union's final offer to ensure that Galesburg will be able to attract and retain high quality police officers, particularly when the City admits that it is able to pay for the Union's offer.

Discussion: Initially, the parties dispute what significance, if any, I should attribute to the wage increases agreed to between the City and the other two unions, AFSCME and IAFF. The IPLRA does not mention internal comparability expressly. It does, however, call for consideration of "[s]uch other factors . . . which are normally or traditionally taken into consideration . . . " As the numerous awards cited by the City make clear, internal comparability is one such factor.

The awards differ in the weight they give to internal comparability. They range from Arbitrator Feuille's statement that the weight to be given internal comparisons is "not much" for salaries, hours and working conditions, but "considerable" for health insurance, *City of Peoria and IAFF Local 544*, No. S-MA-92-067 at 31-32 (Feuille, 1992) to Arbitrator Briggs' statement that he was reluctant to depart from a pattern of internally comparable wage settlements absent clear and convincing evidence of the need to do so. *Village of Arlington Heights and IAFF Local 3105*, No. S-MA-88-80 at 14 (Briggs 1991). In general, however, I do not think there is any magic formula for calculating the weight to be given to the settlements in other bargaining units with the same employer. The weight must be decided on a case-by-case basis, considering all of the evidence, with the primary focus being how helpful the data is to the arbitrator's educated guess as to what the parties would have agreed to had their negotiations not broken down.

In the instant proceeding, the evidence of internal comparability with respect to wages in quite compelling. In every year since 1985, except for 1996, all three bargaining units received the identical percentage increase in base pay. In 1996, the AFSCME and IAFF increases differed by 0.1 percent. However, when the AFSCME contract settled for a slightly higher percentage increase, the City offered the difference to IAFF. The parity was broken only because IAFF rejected the offer.[6]

The absence of a two-tiered wage scale for firefighters does not detract from the weight to be given the settlements reached with AFSCME and the IAFF. AFSCME has a two-tiered wage scale comparable in structure to the police scale. The

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6 There is no evidence in the record as to why IAFF rejected the offer.

City sought a similar two-tiered scale with the IAFF but Arbitrator Doering declined to award it. Arbitrator Doering's award, however, did not reject the City's offer out of hand. Instead, she found the quid pro quo that the City was offering the IAFF to be inadequate in light of the bargaining history within that bargaining unit. The quid pro quo for a prior adjustment which brought the firefighter unit's wage scale more in line with the police unit, was an increased City contribution to dependent medical insurance premiums. Arbitrator Doering considered the City's offer of a cash bonus, similar to what the police had agreed to, was not sufficiently similar to the increased insurance contribution that the parties negotiated in the past. Arbitrator Doering's award is not a rejection of internal comparability as a relevant factor in Galesburg; rather, it illustrates how this factor is to be considered and balanced against all other relevant factors (in her case, bargaining history). Accordingly, I find that internal comparability strongly favors the City's offer in the instant case.

External comparability, however, favors the Union's offer. The City's offer of a 2.85 percent raise is lower than the wage increase in every comparable bargaining unit, except for Pekin, where, because the increase was a flat dollar amount, it ranged from 2.43 percent to 3.46 percent, depending on length of service. On the other hand, the Union's offer of 3.25 percent is right in the middle. If the Rock Island increase is calculated at 4 percent, the Union's offer is tied for sixth (not counting Pekin); if Rock Island is calculated at 3 percent, the Union's offer is tied for fifth. In either case, the increases in Danville, DeKalb, Urbana and Alton were higher than the Union's offer and the increase in Normal was the same as the Union's offer. The Union's offer is more in line with the general pattern of police settlements in the comparable communities than the City's.

The table comparing the unit's ranking among the comparable communities in 1995-96 and under the two offers shows that there is very little difference in where Galesburg will rank under either offer. When base salary and longevity pay are considered, the only differences in Galesburg's ranking between the two offers occur at 6, 11 - 14, and 26 years of service. Under both offers, Galesburg slips slightly in its ranking at four years of service and from ten years of service to 26 years of service.

The degree to which external comparability supports the Union's offer is mitigated somewhat by the effects of education pay. When education pay is considered, Galesburg's ranking among the comparable communities improves considerably. I agree with the Union that the appropriate comparison initially is base pay plus longevity because not all members of the bargaining unit qualify for

education pay. However, education pay must be regarded as a mitigating factor for two reasons. First, the provision of education pay represents an agreed-on allocation of the economic pie to provide incentive for officers to undertake further schooling. Second, 31 of the 41 members of the unit qualify for education pay. When such an overwhelming majority of the unit qualifies for such an incentive payment, the incentive payment cannot be ignored.

Two other factors that require discussion are the interests of the public and the cost of living. The Union argues that, in light of the City's concession that it has the ability to pay either offer, the public interest in attracting and retaining highly qualified officers supports the Union's offer. I might agree in theory, but the evidence before me does not show that the City is having salary-related difficulties attracting or retaining officers. The only evidence that might conceivably be offered to suggest such problems consisted of vague, hearsay testimony by Officer Frederick Foster concerning why certain officers resigned from the force. I am unable to give that testimony any evidentiary weight.

The parties disagree over whether I should accept the changes in the Consumer Price Index at face value. The City urges that I discount the increases in the CPI because of a congressional advisory panel's December 1996 report that the CPI overstates the true rate of inflation. I do not agree. This proceeding is not an academic exercise; it is intended to determine what agreement the parties would have reached had their bargaining process not broken down. For years economists have maintained that the CPI overstates inflation, although they do not agree on the exact extent of the inaccuracy. However, the CPI is the benchmark that unions and employers, and interest arbitrators, traditionally look to as an inflation indicator. The report has not changed that and I give it no weight in this proceeding.

During the period that the new wage rate would have taken effect if the parties had agreed on it, the increase in the CPI hovered close to the City's offer. The increase ranged between 2.8 percent and 2.89 percent from March 1995-96 to June 1995-96. Later in 1996, it edged upward, averaging 3 percent for the entire year. The CPI figures for the period the parties were negotiating are the most relevant, but the statute also calls for consideration of changes in the statutory factors during the pendency of the arbitration proceeding. This is appropriate because, presumably, the parties will continue to explore settlement during this period. Indeed, the statute authorizes the arbitrator to remand to the parties for further negotiations if he believes that such a remand would be beneficial. Considering all of these factors, the most that can be said

is that the City's offer is, at worst, very slightly below the increase in the cost of living while the Union's offer is, at most, slightly above the increase in the cost of living. This factor does not tip the scales appreciably in either direction.

Thus, resolution of the wage increase issue turns on balancing internal versus external comparability. Generally, interest arbitrators look at external comparables because the settlements reached in comparable municipalities are a good indication of the settlement that the parties would have reached had their negotiations proved fruitful. However, in the instant case, this must be balanced against an over ten year history of pattern bargaining. This pattern has been by design. Mr. Barber testified that the City strives to reach the same settlement with each exclusive representative and that, to ensure such an outcome, management representatives from all three departments sit on each negotiating team (Tr. 81). On balance, based on the record developed in this case, I find that internal comparability outweighs external comparability. I will award the City's offer.

In selecting the City's offer, however, I recognize that the wage increase will be somewhat lower than that received in comparable communities and will be slightly below the increase in the CPI. Because of the strong evidence of pattern bargaining, I find that had the parties reached a negotiated agreement, it most likely would have followed the pattern of the other units, but that the lagging behind comparable jurisdictions most likely would have influenced negotiations on health insurance, to which I now turn.

Health Insurance Premium Contributions for the 1996-97 Fiscal Year

Union's Final Offer: The City shall increase its contribution toward dependent insurance coverage by $30.00 per month to $110.00 per month, effective April 1, 1996.

City's Final Offer: The City shall increase its contribution toward dependent insurance coverage by $10.00 per month to $90.00 per month, effective April 1, 1996.

Background: The City pays the full cost of single health insurance coverage for all employees. Employees who elect to cover their dependents must pay for the increased cost of such an election, minus a specified City contribution. For the 1995-96 fiscal year, the City's contribution was $80.00. As indicated above, under the City's offer, the City's contribution would increase to $90.00, while under the Union's offer, it would increase to $110.00.

The City is self-insured. Human Resource Coordinator John Guiste testified that prior to 1996, the City purchased stop loss coverage limited to individual claims above $100,00. The City has lowered its individual stop loss coverage to $75,000.00 and has also purchased aggregate stop loss coverage. Mr. Guiste testified that the City believes that these actions will reverse the plan's financial difficulties and that the City will not have to raise dependent premiums for two or three years (Tr. 93-95).

The structure of the health insurance provision in the Union's contract is virtually identical to the AFSCME and IAFF contracts. All three contracts provide that the City will pay the full cost of single coverage and contribute a specified amount to the premium for family coverage. The AFSCME and IAFF contracts provide that for fiscal year 1996-97, the City will contribute $90.00 per month toward family coverage, *i.e.*, the same as the City's offer. The AFSCME and IAFF contracts provide that for fiscal year 1997-98. the City will contribute $105.00 per month.

Prior to February 1, 1996, the City had one premium for dependent coverage. The total premium (employee plus City contributions) was $245.00, regardless of the number of dependents covered. On November 15, 1995, the City announced that, effective February 1, 1996, there would be two different premiums for dependent coverage. Employees covering only one dependent would have a premium of $174.00, while employees covering two or more dependents would have a premium of $324.00. From these premiums, the City's contribution would be deducted to determine what the employee would pay each month.

Most employees in the bargaining unit elect single coverage. Of those who elect dependent coverage, almost all cover more than one dependent.[7]

The amount of the City's contribution to dependent coverage has varied by year and by bargaining unit. The following chart (City Ex. 10) recaps this history.

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7 City Ex. 32 reports that 14 of the 41 employees in the unit have elected dependent coverage. Attached to City Ex. 32 is a list of health insurance premiums by employee for the unit. This list shows 13 employees with dependent coverage, of whom 11 cover more than one dependent. This apparent discrepancy between the first page of City Ex. 32 and the supporting documentation is not significant. The key point is that almost all bargaining unit employees covering dependents cover more than one dependent.

Contract Term	Police	Fire	AFSCME
1985-86	$35		
1985-88		$23	$23
1986-89	$35		
1988-91		$47	$35
1989-92	$45 (89-90) $55 (90-92)		
1991-93			$60
1991-94		$65	
1992-95	$60		
1993-96			$65

Effective April 1, 1995, the City's contribution increased to $80.00

The following data was submitted showing what employees in the comparable communities pay per month for dependent health insurance coverage (Un. Ex. 23):

Danville, Granite City, Pekin : $0.00
Kankakee HMO: $50.56
Kankakee PPO: $67.80
Rock Island: $69.45
DeKalb: 2% of base wage which is approximately $70.50
Quincy HMO: $70.50.
Quincy Quality Case: $96.00
Alton: $110.00
Quincy HMO (2 or more dependents): $123.00
Quincy Quality Care (2 or more dependents): $138.00
Normal: $203.00
Urbana Health Alliance: $217.00
Urbana Personalcare HMO & PPO: $220.00

Employer contributions in comparable communities range from the entire premium in Danville, Granite City and Pekin to none in Urbana. Three employers in Galesburg, Carl Sandburg College, School District 205, and Miller Dredge Insurance, pay nothing toward employee dependent health care coverage (City Ex. 35).

The Employer currently contributes $80.00 toward dependent health insurance. Thus, currently the monthly premium paid by employees is $94.00 for one dependent and $244.00 for more than one dependent. Under the City's offer, the employee-paid premiums would decrease to $84.00 and $234.00. Under the Union's offer, the employee-paid premiums would decrease to $64.00 and $214.00.

Positions of the Parties: The City contends that the greatest weight should again be given to internal comparability. The City argues that, although the amount contributed to dependent premiums has not been identical, over different bargaining cycles the amounts have been

equalized. Moreover, according to the City, the structure of the health insurance plans has been the same for all three units. The City concedes that the cost of dependent coverage to employees is high, but argues that it is high in several other comparable communities. The City maintains that insurance is administered on a city-wide basis and, therefore, internal comparability is even more significant here than for wages.

The Union argues that there has never been internal parity in dependent health insurance contributions. Rather, the Union maintains, there is a pattern of one unit leading while the others catch up. The Union contends that it is time for the police to lead.

The Union relies primarily on the external comparability data. It urges that employees with more than one dependent were subjected to a very large premium increase on February 1, 1996. As a result, they pay more for health insurance than any other comparable community. The Union urges that under the City's offer, they will continue to pay more than in any other community. The Union contends that under its offer, they will rank only above Urbana. The Union maintains that its offer is the more reasonable.

Discussion: As with the wage increase issue, consideration of the City's contribution to dependent health insurance premiums must begin was an analysis of the internal comparability advocated by the City. On its face, it is readily apparent that the pattern of parity is not as strong as it was with wages. Indeed, as City Exhibit 10 makes clear, it was rare for the City contributions to be the same for each unit.

The evidence also indicates that the amount of the City's contribution has, at times, been influenced by factors peculiar to one of the units. Arbitrator Doering observed in her award that the City convinced the IAFF to add two steps to the wage scale in 1988 by agreeing to a $24.00 increase in dependent health insurance contributions, $12.00 to catch up to the police and AFSCME and $12.00 more on top (City. Ex. 5 at 7). Indeed, in her award, Arbitrator Doering suggested that the parties negotiate a similar exchange to bring the firefighter salary scale in line with the two-tiered scales of the police and AFSCME units. Had the parties done that in the last round of firefighter negotiations, the City's contribution to firefighter dependent health insurance might well have been higher than its contribution for the AFSCME unit.[8]

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8 This is not to suggest that the Union should receive a higher City contribution to compensate it for its two-tiered

Turning to the police bargaining unit, two factors are salient. First, the City's move to two different levels of dependent health insurance had an extremely negative effect on this bargaining unit. There is no evidence in the record as to the effect on the other units, but the record is clear that almost all police who opt for dependent coverage cover more than one dependent. Just as I found that education pay had to be considered in determining wages because most employees received it, so too it is essential to consider the overall $89.00 increase in premiums (from $245.00 to $324.00) for employees covering more than one dependent because almost all employees in the unit who cover dependents were affected by it. As a result of this change, Galesburg fell below Normal and Urbana to the bottom of the list of comparable communities. Police in Galesburg pay more for dependent health insurance than in any other comparable community.

Second, the parties' history of pattern bargaining on wages compels the Union to receive an increase which lags behind virtually every comparable community. Arbitrator Doering's award makes clear that, in the past, the City was willing to trade off dependent health insurance contributions that were considerably in excess of what it made for other units to bring the pay scale in one unit into conformity with the other two. So too, it is reasonable that the City provide a quid pro quo of more favorable dependent health insurance contributions to maintain parity in increases in base salaries.

I am troubled by the size of the Union's offer. It exceeds not only the City's contribution for AFSCME and IAFF for 1996-97, but also exceeds that contribution by $5.00 for 1997-98. If I had the authority, I would reduce the Union's offer by $5.00, thereby ensuring that the other two units would catch up in 1997-98 and leave it to the parties to negotiate whether the police unit should move further ahead. The statute, however, limits me to selecting the final offer of one of the parties. Furthermore, I note that in 1988, the IAFF contract provided for dependent health insurance contributions that not only exceeded the police contract which ran through 1989, but also exceeded what the police negotiated for 1989-90. Although the police negotiated a contribution higher than the IAFF for 1990-92, in 1991 the IAFF again overtook the police and held onto more favorable treatment at least until 1995. Similarly, the City's contribution under the IAFF contracts exceeded its contribution under the AFSCME contracts from 1988 to 1993. Thus, on balance, although I believe that an increase of $25.00 would be ideal, I find that the Union's offer of an

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wage scale. As noted previously, the Union already accepted a bonus payment as its quid pro quo.

increase of $30.00 is more appropriate under the statutory criteria than the City's offer of an increase of $10.00.[9]

A W A R D

Based on all of the factors provided in Section 14(h) of the Illinois Public Employees Labor Relations Act, and for the reasons set forth in the opinion above, I award as follows:

1. Wages: The City's final offer is awarded. Wages will increase 2.85 percent for fiscal year 1996-97, effective April 1, 1996.

2. Health Insurance: The Union's final offer is awarded. The City's contribution to dependent health insurance shall increase by $30.00 to $110.00 per month, effective April 1, 1996.

Chicago, Illinois

March 18, 1997 Martin H. Malin, Arbitrator

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9 Although the City offered evidence that three other employers in Galesburg contribute nothing to dependent health insurance coverage, the City has not relied on that evidence in its brief, and rightly so. There is no evidence in the record that these three employers are comparable to the City or that their employees are comparable to the City's employees. For example, there is no evidence as to what premiums the employee's pay. Therefore, I have given the evidence of other Galesburg employers no weight.