

ILRB

175

IN THE MATTER OF THE ARBITRATION

BETWEEN

EMPLOYER

VILLAGE OF NEW LENOX
WILL COUNTY, ILLINOIS

AND

LABOR ORGANIZATION

METROPOLITAN ALLIANCE OF POLICE,
IND.; NEW LENOX CHAPTER #21

ISLRB CASE NO. ~~S-MA-97-115~~

S-MA-96-90

IMPASSE ISSUES

A. ECONOMIC

- SALARIES
- HOLIDAY PAY
- SICK LEAVE
- HEALTH INSURANCE
BENEFITS FOR RETIREES

B. NON-ECONOMIC

- SALARY SCHEDULE
STRUCTURE
- SHIFT BIDDING

FINDINGS AND AWARD

I. PRELIMINARY INFORMATION

CASE PRESENTATION-APPEARANCES

EMPLOYER

NICHOLAS E. SAKELLARIOU
Attorney
ROBBINS, SCHWARTZ, NICHOLAS,
LIFTON & TAYLOR, LTD.
116 North Chicago Street
Joliet, IL 60432
(815) 722-6560
(815) 726-2605 (Fax)

LABOR ORGANIZATION

THOMAS P. POLACEK
Attorney
SCHENK DUFFY QUINN McNAMARA
PHELAN CAREY & FORD, LTD.
58 North Chicago Street
200 Chicago-Jefferson Bldg.
Joliet, IL 60432-4439
(815) 727-9215
(815) 727-9229 (Fax)

CHRONOLOGY OF RELEVANT EVENTS

Letter Dated September 17, 1997
from Thomas P. Polacek, Attorney
for Chapter #21, Metropolitan
Alliance of Police Apprising the
Arbitrator of His Mutual Selection
to Act as Interest Arbitrator in
the On-Going Collective Bargaining
Negotiations Between Chapter #21
and the Village of New Lenox;
Date Letter Received by the
Arbitrator

September 18, 1997

CHRONOLOGY OF RELEVANT EVENTS (continued)

Pre-Arbitration Meetings Held	October 29, 1997 November 7, 1997 December 16, 1997
Interest Arbitration Hearing Held	February 24, 1998
Transcript of 128 Pages Received by the Arbitrator	March 11, 1998
Post-Hearing Briefs Received by the Arbitrator	
LABOR ORGANIZATION	May 7, 1998
EMPLOYER	May 8, 1998
By Letter Dated May 8, 1998, the Arbitrator Interchanged the Post- Hearing Briefs and Declared the Case Record Officially Closed As of the Date the Last Post-Hearing Brief Was Received; Date Case Record Closed	May 8, 1998

AUTHORITY TO ARBITRATE

ILLINOIS PUBLIC LABOR RELATIONS ACT (IPLRA) - January, 1992
(Ill.Rev.Stat. 1991, Ch. 48, pars. 160 et. seq.) [5 ILCS 315]
Section 14, Security Employee, Peace Officer and Fire Fighter
Disputes

RULES AND REGULATIONS (effective September 13, 1993)

Title 80: Public Officials and Employees

Subtitle C: Labor Relations

Chapter IV: Illinois State Labor Relations Board/
Illinois Local Labor Relations Board

Part 1230: Impasse Resolution

Subpart B: Impasse Procedures for Protective Service Units
Sections: 1230.70; 1230.80; 1230.90; 1230.110
Covering Compulsory Interest Arbitration

COURT REPORTER

RUTH E. SHERWOOD, CSR, RPR
 George E. Rydman & Associates, Ltd.
 Court Reporters and Videographers
 15 West Jefferson Street
 Joliet, IL 60432
 (815) 727-4363
 (1-800) 608-5523
 (815) 727-7186 (Fax)

LOCATION OF HEARING

New Lenox Village Hall
 701 West Haven Avenue
 New Lenox, IL 60451
 (815) 485-6452

WITNESSES (in order of respective appearance)FOR THE EMPLOYER

KENNETH OLDENDORF
 Police Chief

KIM AUCHSTETTER
 Finance Director

FOR THE LABOR ORGANIZATION

MICHAEL O'BRIEN
 Patrol Officer - Evidence
 Technician & President,
 Chapter 21, MAP

PETER NELSON
 Patrol Office & Vice
 President, Chapter 21, MAP

OTHERS IN ATTENDANCE AT HEARINGFOR THE EMPLOYER

RUSS LOEBE
 Village Administrator

FOR THE LABOR ORGANIZATION

NONE

II. WAIVERS

The Parties agreed to the following waivers:

- A. To dispense with impaneling the Interest Arbitration Panel as provided for under the IPLRA and to authorize the neutral arbitrator in these proceedings to function as the Sole Interest Arbitrator.

Notwithstanding this waiver, however, the Parties have agreed that, should the neutral arbitrator, after his deliberation of the issues, deem it necessary to convene an executive session of what would otherwise be a meeting of an Interest Arbitration Panel, they would participate in such an executive session.

- B. To dispense with the swearing of witnesses.

III. MOTION AND RULING**A. MOTION**

The Union moved to open the interest arbitration hearing to the public and the Employer objected on two grounds, to wit: 1. The instant arbitration proceeding is not subject to the Illinois Open Meeting Act and, as a result, there is no requirement that the subject hearing be open to the public; and 2. that absent a mutual agreement by the Parties to open the subject hearing to the public, the Arbitrator is without authority to open said hearing. The Employer noted that its underlying rationale for asserting its objection to the Union's motion is the belief, as supported by past practice, that opening the hearing to the public which, hearing, is part of the collective bargaining process, is in the Parties' best interests of fostering good labor relations.

B. RULING

The Sole Interest Arbitrator ruled not to open the hearing to the public basing said ruling on the Employer's privacy objection and espousing the position that privacy, at least with respect to this proceeding, was in the better interests of the Parties.

IV. BACKGROUND

The Village of New Lenox, hereinafter Employer or Village, is a non-home rule municipality located in Will County, Illinois. The Village, governed by an elected Village President and Board of Trustees, provides the typical municipal services and, therefore, employs individuals in the areas of public safety (police and fire), public works, water and sewer operations, engineering services, land planning, building and zoning, and finance. The day to day operations are overseen and directed by a Village Administrator. The Village currently has a full-time work force of 63 employees, 23 of whom comprise the Police Department. The Police Department chain of command is comprised of a Chief of Police, currently, Kenneth Oldendorf, one Commander (permanent rank of Sergeant), three Sergeants and the remaining eighteen (18) employees are classified as patrol officers.¹ The operations of the Police Department are subject to the jurisdiction of the Illinois Fire and Police Commission Act. Said Act established a Board of Fire and Police Commissioners which, among other of its duties and responsibilities administers and ranks all new candidates for employment with the Village, as well as, tests and ranks candidates for promotion to higher ranks. Candidates for employment are hired according to their test ranking. The Board also convenes disciplinary hearings where charges brought result in the suspension or discharge of police officers, decides the question of guilt and determines the appropriate penalty. Chapter #21 of the Metropolitan Alliance of Police, Ind., hereinafter Labor Organization, Union or Chapter #21 was certified in 1990 by the Illinois State Labor Relations Board as the exclusive bargaining agent for all full-time sworn officers within the Police Department of the Village of New Lenox below the rank of Sergeant for the purpose of negotiating salaries, wages, and other conditions of employment. Subsequent to its being certified, the Union entered into an initial collective bargaining agreement with the Village which was effective from November 1, 1990 through April 30, 1993. The Union and the Village together, hereinafter known as the

¹ The Arbitrator notes that the figure of 23 employees on the rolls of the Police Department is a figure that was cited in the Village's post-hearing brief. A review of the Parties' respective documents submitted into evidence reflects different statistics regarding employment in the Department. The Village's Final Arbitration Offer dated January 30, 1998 (Emp. Ex. 1) lists seventeen (17) sworn bargaining unit members and five (5) vacant bargaining unit positions whereas, among the supporting written evidence submitted by the Union pertaining to its Final Offer, the Union identifies by name, twenty (20) sworn bargaining unit members in the Department (see Tab 3, p 4) along with listing the five (5) non-bargaining unit employees comprising the Department holding the rank of Sergeant and above.

Parties, entered into successor collective bargaining agreements in 1993 (effective December 14, 1993 through April 30, 1996) and again in 1996 (effective November 26, 1996 through April 30, 1997). As reflected by the bargaining history, the 1996-97 collective bargaining agreement was consummated with the assistance of both formal and informal mediation short of proceeding to an interest arbitration.² The issues at impasse in this proceeding, once resolved here in interest arbitration, will become part of the Parties' fourth collective bargaining agreement, the duration of which will be for three (3) years expiring on April 30, 2000.

V. INTRODUCTION

Following his mutual selection by advocates for the Village and Chapter #21 of MAP, the neutral Interest Arbitrator with the cooperation of the Parties, convened three pre-arbitration meetings at which an informal effort to mediate all remaining issues at impasse was attempted. Some progress occurred as a result of such effort, primarily clarification of the Parties respective positions which helped to narrow their differences but, little or no progress was made toward resolving their major differences on the impasse issues now before the Sole Interest Arbitrator for final determination.

VI. ISSUES AT IMPASSE

A comparison of the final offers submitted by the Employer and the Union respectively, reveal that the Parties are in total agreement as to what are the issues at impasse although they did not specifically separate the issues into the two (2) categories of economic and non-economic pursuant to applicable provisions of IPLRA. That categorization was accomplished by judgment of the Sole Interest Arbitrator. As previously noted in the caption on page 1 of this Findings and Award, the economic issues at impasse are as follows:

² It is noted that seven (7) months elapsed from the time the second agreement expired April 30, 1996 until the Parties consummated their third agreement. Additionally, whereas the first two collective bargaining agreements were of three (3) years duration, the third agreement was a two (2) year agreement.

- A1 SALARIES/WAGES
- A2 HOLIDAY PAY/HOLIDAY ON DAY OFF
- A3 SICK LEAVE ACCRUAL AND USAGE
- A4 HEALTH INSURANCE FOR RETIREES

The non-economic issues have been identified as follows:

- B1 SALARY/WAGE SCHEDULE STRUCTURE
- B2 SHIFT BIDDING

VII. COMPARABLE COMMUNITIES

A. Discussion and Parties' Respective Positions

The Illinois Public Labor Relations Act (IPLRA) hereinafter IPLRA or Act, mandates that issues identified and classified as economic in nature be subjected to the scrutiny of bargained arrangements between parties in the identical line of work, here peace officers, in comparable communities using comparable statistics for comparative purposes. It is incumbent, therefore, upon the parties to an interest arbitration, either jointly or separately, to propose and then submit a list of comparable communities from which the Interest Arbitration Panel or, as here, the Sole Interest Arbitrator (see preceding Section II - Waivers) reconciles the two lists and selects the communities deemed to be truly comparable based on such factors as, geographical proximity, population, equalized assessed valuation of property, revenue derived from property, sales, and in some instances, other taxes, budget expenditures, labor market characteristics and conditions, both general and specific and, other factors advocated by either party or both as being applicable and pertinent to their particular circumstances. In the case at bar the Union initially proposed fifteen (15) communities as being comparable to the Village but, at the conclusion of the interest arbitration hearing, the Union withdrew one (1) of its proposed communities.³ In contrast, the Village proposed a list containing as few as five (5) communities it held to be comparable and of these five (5) communities, three (3) were identical to those advanced by the Union. The three (3) communities held by both sides to be common in comparability are, in alphabetical order, as follows:

³ The community the Union withdrew from its initial proposed list was the City of West Chicago which bargains with Lodge #85 of the Illinois Fraternal Order of Police Labor Council.

- Village of Frankfort
- Village of Mokena
- Village of Plainfield

The remaining proposed communities selected as comparable but not choices in common by the Parties are as follows:

<u>EMPLOYER</u>	<u>UNION</u>
Lemont (Village of)	Country Club Hills (City of)
Shorewood (Village of)	Crest Hill (City of)
	Darien (City of)
	Flossmoor (Village of)
	Hickory Hills (City of)
	LaGrange (Village of)
	Lockport (City of)
	Morris (City of)
	Palos Heights (City of)
	Richton Park (Village of)
	Willowbrook (Village of)

In support of its list of comparable communities the Union asserted in uncontradicted testimony proffered by Chapter #21 President, Mike O'Brien, that the communities it proposed were among the same communities the Village had advocated as being comparable in their past negotiations beginning with their initial 1990-93 Collective Bargaining Agreement (Emp. Ex. 4). According to O'Brien, the Union narrowed the list to the fourteen (14) communities it now proposes on the basis of two (2) criterion, to wit: (a) communities that fell within 35 miles of the Village but excluding those municipalities with non-union police departments; and (b) reliance on five (5) criteria other than geographical distance of 35 miles from the Village that fell within a plus or minus range of 50 percent when compared to the identical criteria for the Village. Specifically, these five (5) criteria were as follows: population, total number of employees employed by the municipality, total number of patrol officers, sales tax revenue, and equalized assessed valuation of property of the municipality. Based on all six (6) criteria, the Union related it added to its list the City of Morris which was a municipality that had not been identified by the Village in prior negotiations as a comparable community on the grounds that it fitted the parameters established for the six (6) criteria and, further, that the bargaining unit was a sister chapter of MAP and it was able, as a result, to secure all the necessary information to make the required statistical comparisons.

With respect to the comparable communities advanced by the Village, the Union concedes that while all five (5) communities tend to compare favorably to the Village, and three (3) are identical to those communities it advanced, nevertheless, the Union submits the

Village's selection process resulted in a limited and therefore, flawed list. In this regard, the Union argues the Village failed to present a fair sample of comparable communities, in that it "cherry-picked" only those comparable communities that support its position on the open issues. Additionally, the Union notes, the Village's comparable communities was based on comparisons of eleven (11) criteria which included the six (6) criteria it used. The additional five (5) criteria the Village used were as follows: **income tax, property tax, other tax, median family income and number of full-time police.** The Union argues that even applying this more expansive comparison of eleven (11) criteria, the communities it proposed still meet the standards for selection but, more specifically, falling within the plus or minus fifty percent (50)% range as compared to the same criteria for the Village. The Union notes that only two (2) communities on its proposed list, Flossmoor and Richton Park fall outside the fifty percent (50%) range with respect to four (4) criteria and that only three (3) communities fall outside the fifty percent (50%) range with respect to three (3) criteria specifically, Country Club Hills, LaGrange, and Frankfort, the latter community being a mutual choice by each Party. The Union notes that with respect to its remaining nine (9) communities held to be comparable, none fall outside the fifty percent (50%) range with respect to more than two (2) criteria. On the other hand, the Union submits, the communities the Village selected as comparable was a calculated selection to place its police officers at or near the top statistically with respect to all economic benefits. Specifically, the Union asserts, not one of the five (5) communities put forth by the Village as comparable has a population larger than its own. Only one community of the five (5) is greater in size geographically (Frankfort). Only two (2) of the five (5) comparable communities has an equalized assessed valuation (EAV) higher than the Village (Frankfort and Mokena). Only one (1) community has a higher sales tax revenue (Frankfort). Only two (2) have higher median incomes (Frankfort and Shorewood). Only one has a larger size full-time police force composed of both patrol and command rank officers (Lemont). And, not one of the five (5) comparable communities selected by the Village has a greater number of full-time employees or full-time patrol officers.

In support of its comparable communities the Village notes that all five (5) municipalities are located in Will County but that portions of Lemont are also located in Cook County. In addition to their demographic similarities, the Village maintains the five municipalities share with it a community of interest such as, for example, they all belong to the Will County Governmental League which has, as its objective, fostering legislative initiatives and exchanging information between its members. Other examples showing a shared community of interest are:

- The Village of Mokena and Frankfort, along with a fourth village comprise the Lincolnway Inter-governmental Commission.

- The Village, Mokena, Shorewood, Plainfield and Lemont belong to the same health insurance risk pool.
- The Village, Mokena, Frankfort, Shorewood and Plainfield belong to the same liability risk pool.
- The Village, Mokena and Frankfort jointly operate a dispatch center for emergency services.

With respect to the Union's proposed list of comparable communities, the Village notes certain factors, the existence of which mitigate against the claim of comparability. For example, seven (7) of the Union's comparable municipalities (exactly half) are located not in Will County but in Cook County. Specifically, these seven (7) municipalities are Country Club Hills; Flossmoor; Hickory Hills; LaGrange; Palos Heights; Richton Park; and Willowbrook.⁴ The Village notes this geographical difference in County location is significant in that the Village being a non-home rule municipality located in Will County as well as such other like municipalities located in Lake, DuPage and Kane Counties have been subject to the Illinois governmental tax cap provisions since 1991 whereas, Cook County municipalities have been subject to the same tax cap provisions only for the last two (2) years.⁵ Another disparate factor in demonstrating non-comparability between the Village and some of the communities proposed by the Union is the ratio of equalized assessed valuation (EAV) to geographical size in square miles. For the Village the ratio yields a valuation of 23.18 million dollars per square mile whereas the same ratio comparison yields valuations for the following five (5) communities:⁶

⁴ The Village further notes that Willowbrook lies partly in DuPage County as well.

⁵ According to the Village, the tax cap provisions limit the amount of a municipality's annual real estate tax levy increase to five percent (5%), or the Consumer Price Index, whichever is less.

⁶ The Village notes that while a ratio for the City of Darien could not be computed because its geographical size was not listed in any of the exhibits made a part of this record, nevertheless, it maintains that a significant point of comparison is that Darien has an EAV 2.4 times greater than its own notwithstanding, the fact that, Darien has the same number of patrol officers as it has.

• Flossmoor	39 M/Sq.Mi.
• Hickory Hills	40 M/Sq.Mi.
• Palos Heights	53 M/Sq.Mi.
• Willowbrook	103 M/Sq.Mi.
• LaGrange	117 M/Sq.Mi.

In addition, except for Hickory Hills, the above listed communities including Darien (see fn. 6, supra), all have median family incomes higher than the Village. Darien's population of 22,000 inhabitants is also nearly double that of the Village. Further, the communities of Darien, Morris and Willowbrook all have municipal sales tax income substantially higher than the Village's; specifically, the Village is at \$1.28 million dollars whereas Morris is at \$1.9 million dollars and both Darien and Willowbrook slightly exceed \$2.0 million dollars.⁷ In sum, the Village argues, a significant number of the Union's proposed comparable communities exclusive of Frankfort, Mokena and Plainfield, the three (3) communities the Parties selected in common, do not share a common economic status with it. Such non-comparable communities have wealthier real estate tax bases, greater municipal sales tax income and higher median family income. The Village submits therefor that its proposed municipalities more accurately represent real world comparable communities in sync with it than a number of those selected by the Union.

B. Findings

Based on calculations performed by the Arbitrator pertaining to variances for each of the twelve (12) variable comparisons used by the Parties to determine comparability among the communities they respectively selected and confined to the three (3) communities the Parties selected in common, Frankfort, Mokena and Plainfield, the Arbitrator concludes that it is particularly difficult to exclude any of the communities presented by either side, as the variances

⁷ According to the Sales Tax Receipts by Kind of Business Report submitted for the period January 1, 1996 through December 31, 1996 published by the Department of Revenue, State of Illinois (Tab 9, Union Exhibits), the municipal sales tax designated by the symbol MT in the reports is the amount of sales tax revenue returned by the State to the municipalities. This amount is equal to one percent (1%) of taxable sales made at businesses located within the corporate limits of a municipality. The Arbitrator notes that the sales tax revenue comparisons used by the Village are based on municipal sales taxes whereas, the sales taxes used by the Union in their comparisons reference state sales tax which is equal to five percent (5%) of taxable sales.

for each variable are overwhelmingly large. The calculated variances are as follows:⁸

<u>VARIABLE</u>	<u>VARIANCE</u>
1. Population (in population growth)	79.41%
2. Size in Square Miles	39.77%
3. EAV	51.0%
4. Sales Tax (MT)	78.0%
5. Sales Tax (ST)	84.0%
6. Income Tax	44.9%
7. Property Tax	276.32%
8. Other Tax	196.0%
9. Median Family Income	41.55%
10. Total Full-Time Employees	28.6%
11. Total Full-Time Police Officers	17.4%
12. Total Full-Time Patrol Officers	33.3%

⁸ The methodology used by the Arbitrator in performing these calculations is illustrated by using the variable of Property Taxes as an example:

<u>NEW LENOX</u>	.38
<u>FRANKFORT</u>	1.43
<u>MOKENA</u>	.41
<u>PLAINFIELD</u>	.94

It is noted that the property taxes for each of the three (3) common communities exceeds that of the Village. Frankfort has property tax revenues greater than any of the other three (3) communities followed by Plainfield, then Mokena and the Village has comparatively the least amount of revenue. The first calculation made was to determine the percentage difference between each of the three (3) comparable communities and the Village. For Frankfort this resulted in the plus 276.32% figure calculated by subtracting the Village's .38 from Frankfort's 1.43 and then dividing the difference by .38 to derive a percentage change figure. The identical calculation was made for Mokena as compared to the Village yielding a percentage change of +7.9% and for Plainfield as compared to the Village yielding a percentage change of +143.37%. Since in each of the three (3) comparisons the resultant figures were positive, the largest variance and the percentage change for Frankfort was one and the same figure. Additionally, the Arbitrator used the sales Tax Receipts Report (Tab 9, Union Exhibits) to find the MT sales tax figures for Frankfort, Mokena and Plainfield.

The Arbitrator performed these calculations to determine the degree to which the three (3) common choice communities were alike in order to form a judgment as to which of the other communities proposed by each side differed substantially from these common choice communities deemed by the Parties to be comparable. Thus, given the above listed variances, a community would have to fall outside such stated variances to qualify for exclusion. Using such a standard as a benchmark, only one community qualifies for exclusion from the list of comparable communities proposed by the Union and that community is Darien. In terms of the number of inhabitants, Darien is twice the size of the Village yet, it employs the same number of full-time patrol officers (18) but, that is the only similarity that exists. With respect to the variable, EAV, Darien yields a variance of 137.7%, nearly three (3) times the calculated variance for the three (3) commonly selected communities. The differences in variances as to the variables of State Tax revenue and total Full-Time Employees are also substantial, to wit, 118.9% to 84% for Sales Tax and 39.4% to 28.6% for total Full-Time Employees.

Aside from the above analysis, the Arbitrator is persuaded that the community of Morris should also be excluded on grounds that it lies the furthest away from the Village in geographical distance and it is the only community among the others proposed that is located in Grundy County. Additionally, applying the rationale advanced by the Union itself, wherein it noted that the communities of Flossmoor and Richton Park fall outside the plus or minus fifty percent (50%) range with respect to four (4) of the eleven (11) variables it used for comparisons, the Arbitrator rules to exclude said communities from the list of proposed comparables.

In summation, the Arbitrator rules to exclude the four (4) communities of Darien, Morris, Flossmoor and Richton Park, thereby leaving a total of twelve (12) communities deemed to be comparable to the Village for purposes of making the critical determinations as to the various economic items advocated in the Parties' respective Final Offers. In alphabetical order, these twelve (12) communities are as follows:

- | | |
|-----------------------|------------------|
| 1. Country Club Hills | 7. Lockport |
| 2. Crest Hill | 8. Mokena |
| 3. Frankfort | 9. Palos Heights |
| 4. Hickory Hills | 10. Plainfield |
| 5. LaGrange | 11. Shorewood |
| 6. Lemont | 12. Willowbrook |

VIII. INTEREST ARBITRATOR'S RESPONSIBILITY

Under the provisions of the IPLRA, most specifically Section 14(g), the charge given to the sole interest arbitrator is to adopt the last offer of settlement which, in the arbitrator's opinion, more nearly complies with the applicable factors prescribed in subsection 14(h). Said subsection delineates the following eight (8) factors:

1. The lawful authority of the arbitrator.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
4. Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - a. In public employment in comparable communities.
 - b. In private employment in comparable communities.
5. The average consumer prices for goods and services, commonly known as the cost of living.
6. The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, 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 to these factors, the Union advanced the argument in its post-hearing brief that there is no requirement that each factor be given equal or the same weight. In support of this argument, the Union posited that certain of the above-cited statutory factors are not relevant to the instant arbitral proceeding and therefore, as a result, should be accorded less consideration by the Arbitrator. Specifically, the Union maintains that Factor #1 should be given no consideration as no issue was raised by either Party here as to the lawful authority of the Village. The Arbitrator concurs in the Union's argument with respect to this factor. The Union further maintains that Factor #7 in the list above should not be given any consideration as no evidence was presented or adduced at hearing indicating there has been any substantial changes that occurred in any circumstance affecting the bargaining between the Parties during the pendency of this subject arbitration. Absent a contrary position advanced by the Village with respect to this asserted argument, the Arbitrator is in full concurrence with the Union's stance that this particular factor is not relevant to this arbitral proceeding and, therefore, this factor will not be given any consideration by the Arbitrator in his deliberations. The Union further asserts that Factor #5 pertaining to the cost of living should not be of primary concern in the Arbitrator's determination of the economic issues, as it maintains that numerous published articles, as well as, an analysis of the Consumer Price Index (CPI) submitted into the evidentiary record in this arbitral proceeding (referencing Emp. Ex. 27 in particular) shows that the CPI has not had any substantial impact on salary increases or other economic benefits for either Village employees or the employees in the comparable jurisdictions for at least the past few years. While the Arbitrator acknowledges that in the recent past few years the rate of inflation in the overall economy has held steady and been relatively low, he cannot concur in the Union's position that little consideration be given to the CPI as this factor is an integral one in the calculation of salaries and salary considerations across many industries, nationwide, regardless of its percentage rate at any given time. Thus, the Arbitrator will accord this factor its commensurate weight within the scope of his overall decision-making. Finally, the Union submits that Factor #3 pertaining to the financial ability or, more precisely, the inability of the unit of government, here the Village, be disregarded by the Arbitrator in his determination of the economic issues as the Village presented absolutely no evidence to justify an argument that there exists an inability on its part to pay the wage increases proposed by it in bargaining. In the absence of any such contention by the Village of an inability to pay, the Arbitrator is in complete concurrence with the Union's position regarding this point.

Given the foregoing asserted arguments, it is the position of the Union that the Arbitrator should accord the remaining four (4) factors cited in Section 14(h) specifically, Factors #2, 4, 6 and 8, the most weight in his determinations as to which final offers on the economic issues more nearly comply with said factors.

As to Factor #2, "Stipulations of the Parties", the Union notes that in their negotiations for the subject three (3) year agreement, the Parties reached a number of tentative agreements pertaining to both non-economic and economic issues including retroactivity of awarded pay in this cause to May 1, 1997. Additionally, the Union urges the Arbitrator to take into consideration the fact that while the Village declined to enter into a formal stipulation as to the inclusion of a twenty-five percent (25%) sick leave buyback provision for retiring police officers, both Parties proposed identical language with respect to that issue. The Arbitrator concurs that, in fact, the Parties have each offered this identical language to be added to Section 9.3 of their 1997-2000 Agreement but that their impasse with regard to this issue pertains to the maximum accrual of the number of hours/days of sick leave. The Village's position is to maintain the status quo at 540 hours or 67.5 days whereas, the Union seeks to increase the maximum accrual to 600 hours or 75 days. The Village, in its post-hearing brief, also referenced tentative agreements reached in bargaining preceding the onset of this interest arbitration noting that the changes agreed to have resulted in increased benefits to the employees. The Village takes particular note that, at no premium cost to the employee, coverage of health benefits for the surviving dependents of an officer who dies in the line of duty was increased from 270 days to 5 years (Section 15.2). Also, a new benefit was added which provides for up to five thousand dollars (\$5,000.00) of reimbursement for burial expenses (Section 15.2). Additionally, the annual clothing stipend for detectives was increased from \$325.00 per year to \$350.00 per year. Finally, the Parties agreed, during this arbitral proceeding, to officer in charge (OIC) compensation of fifty cents (50¢) per hour. As to Factor #4, comparison of wages, hours and conditions of employment predicated on findings in both public and private employment in comparable communities, the Arbitrator has already engaged in this undertaking in the preceding Section VII of this Findings and Award by reconciling the Parties' respective lists of comparable communities. With respect to Factor #6, "Overall compensation presently received by the employees," the Union submits that an analysis of the comparable communities yields no significant basis to favor one Party's final proposal over the other party's regarding the non-wage benefits comprising overall compensation. As to Factor #8, the catch-all provision incorporating "such other factors," not confined to the other preceding seven (7) factors, the Union suggests that the Arbitrator take into consideration the factor of morale of the Village's patrol officers and the concomitant factor of community respect vis-a-vis his decision regarding the officers' economic benefits.

The Union advances the position that evidence regarding the concerns of the Village's patrol officers, particularly with regard to the issue of retirement planning, supports its final offers and should be considered by the Arbitrator

Based on the foregoing findings already set forth, the Arbitrator, in his determination of the economic issues before him, will accord the proper weight to the above cited four (4) remaining factors plus Factor #5.

IX. LAST AND FINAL OFFERS, PARTIES' CONTENTIONS AND ARBITRATOR'S FINDINGS

A. ECONOMIC ISSUES

1. SALARIES/WAGES

Preface

Although the Arbitrator has identified the issue of salary/wage schedule structure (B1) as a non-economic issue, it nevertheless is acknowledged that the scheme used to deliver salaries/wages to employees impacts both the amount of pay distributed and the overall level of pay. Accordingly, the Arbitrator defers addressing this issue as an issue standing on its own separate and apart from consideration of the structure question which the Parties have referenced as the wage format. Presentation of Issue B1 follows:

SALARY/WAGE SCHEDULE STRUCTURE (B1)

a. Final Offers

VILLAGE

UNION

To establish and add a Step 8 and a Step 9 to the Wage Schedule which is presently structured as follows:

Status quo

Entry

- 1 yr.
- 2 yrs.
- 3 yrs.
- 4 yrs.
- 5 yrs.

6 yrs.
7 yrs.

10 yrs.

b. Parties' Positions

1. UNION'S POSITION

The Union characterizes the Villages's initiative to interject an additional two (2) steps into the Wage Schedule as bringing about a substantial change that would result in substantially smaller wage increases for officers between five (5) and seven (7) years of service on the police force during the term of the 1997-2000 Agreement. The Union explains that the present Wage Schedule originated and evolved in negotiations for the initial 1990-93 Agreement (Emp. Ex. 4) and the first successor 1993-96 Agreement (Emp. Ex. 5) and was established through compromise that took into account its wage proposal and the Village's proposal to maintain a merit-based wage scale. This compromise during negotiations for the initial Agreement resulted in a schedule that contained an entry level step followed by an enumerated seven (7) steps. In negotiations for the successor 1993-96 Agreement, the Union explains the tenth step was added to the Wage Schedule as a compromise to its proposal to establish the benefit of a longevity pay increase. This Wage Schedule structure was left unchanged in the Parties' negotiations for their third, 1996-97, Agreement (Emp. Ex. 6). The Union cites past arbitral authority which holds that, whenever a party, through an interest arbitration attempts to alter the status quo, it is incumbent upon that party to provide a compelling reason(s) to do so. The Union argues the Village has presented no sound basis or compelling reason in support of changing the existing Wage Schedule structure and submits that the Village is attempting to achieve a "breakthrough" change through this interest arbitration which it could not otherwise achieve in negotiations. The Union asserts the Village's evidence does not support a decision by the Arbitrator to drastically modify a benefit obtained by bargaining unit officers through several quid pro quo compromises made in prior negotiations.

2. VILLAGE'S POSITION

The Village asserts that since the structure of the pay plan is the method by which the wage benefit is delivered, it is a negotiable issue which, as reflected by the brief bargaining history of their relationship reveals that the Parties have, in prior negotiations, always reviewed the effect of the wage schedule structure as it impacts individual employees and agreed to adjustments in the steps of the wage schedule as accommodations to individual employees when such adjustments were necessary. Accordingly, the Village submits that the Parties' bargaining history of crafting wage schedules in consideration of their impact on individual employees supports its initiative here to fine tune the existing wage schedule structure as a means of improving the delivery of the wage benefit. The Village argues that the Union's position of retaining the existing wage schedule structure undergirds its initiative to achieve extraordinary wage increases which, in turn, is premised on an effort by the Union to equate the existing wage schedule with the "pay for performance plan" that is applicable to non-bargaining unit employees. The Village notes that during negotiations for the initial agreement, it proposed to the Union that the Village-wide "pay for performance plan" be adopted but that the Union rejected this proposal. As a result, the wage schedule structure that was adopted by the Parties beginning with the initial agreement is void of any of the features of the "pay for performance plan" such as the main feature, to wit, that beyond the first few steps, advancement through the higher steps is not automatic but performance dependent. Specifically, the farther along in the step plan, the higher an individual must score in performance evaluations in order to advance step. The Village notes that in the prior rounds of negotiations for the three (3) preceding collective bargaining agreements, the Parties have heretofore been successful in arriving at a mutual agreement as to both, the wage schedule structure which was established in the initial agreement and then altered in the first successor agreement, and the amount of wage increases and, in each of these negotiations the resultant wage schedule structure has been void of any requirement of advancement through the steps of the schedule dependent on performance evaluations. The Village asserts that

not only is the "pay for performance plan" not relevant to the Union's wages, but the Union, which rejected such a plan eight (8) years ago, cannot now be heard to rely on said plan especially when the Union has reiterated its position it still has no interest in pay tied to performance.

c. Findings

Just an analysis of the three (3) comparable communities selected by the Parties in common, **Frankfort, Mokena and Plainfield** make clear that there does not exist a standard model wage structure for the delivery of pay to bargaining unit police officers. **Frankfort** has a seven (7) step structure of which is stated in months of service with the first year divided into the first two (2) steps of six (6) months each. There is no longevity pay as part of this wage structure. **Mokena** has no wage schedule as such but rather, the parties have established a "new hire rate" and then agreed to dollar adjustment amounts for each individual police officer denoting their individual percentage rate increases in salary. **Mokena** has no longevity pay. **Plainfield** has a nine (9) step schedule and advancement through the steps is based on years of service as determined by an officer's anniversary date. There is no longevity pay as part of this wage structure.

Comparisons of the other nine (9) identified comparable communities reflect the same absence of a standard as that reflected by the selected communities in common. Specifically, the Village's two comparable communities of **Lemont and Shorewood** both have salary schedules based on years of service meaning that movement through the steps is not performance dependent but, **Lemont** established a thirteen (13) step schedule whereas **Shorewood** has a nine (9) step schedule. Neither **Lemont** nor **Shorewood** provide longevity pay.

An analysis of the comparable communities selected by the Union show a continuing pattern of diverse practice relative to wage/salary schedules. **Country Club Hills** has a truncated step structure of which the number of steps in the schedule vary according to rank. Patrol officers have a four (4) step structure, Detectives, three (3) steps, and Sergeants, two (2) steps. This wage structure also provides for longevity pay. **Crest Hill** has a six (6) step schedule for hourly pay and the parties to

this contract provide longevity pay. **Hickory Hills** has a six (6) step schedule tracked to years of service but does not provide for longevity pay. **LaGrange** has a seven (7) step schedule but movement through the schedule is based on merit and performance. **LaGrange** does not provide for longevity pay. **Lockport** like **Country Club Hills** has a bifurcated salary schedule based on officer rank with a variable number of steps. For Patrol Officers, the salary schedule is seven (7) steps and for Sergeants it is a four (4) step structure. Longevity pay is provided and begins to be applicable starting with the eighth (8th) year of service. **Palos Heights** also has two (2) separate step salary schedules predicated on rank, to wit, a seven (7) step schedule for Patrol Officers and a three (3) step schedule for Sergeants. However, unlike **Lockport** and **Country Club Hills**, there is no longevity pay that is part of either schedule. Finally, **Willowbrook** provides for an all together different approach. Salaries are based on an across-the-board percentage applied to each officer's specified salaries with an additional increase in pay based on merit as determined by results of performance evaluation. There is no longevity pay associated with this salary scheme.

It is evident, given the aforesaid findings, that it cannot be maintained that the Village's effort to "adjust" the present wage/salary structure scheme by filling in the blank space or void that presently exists between Step 7 and Step 10 by adding the two (2) additional steps of 8 and 9 amounts to seeking a "breakthrough change." While step salary schedules in general are common among public sector employees, individual step salary schedules possess unique characteristics that vary greatly as they tend to cater to the unique needs and circumstances of each community. **New Lenox** is no different in this respect. The evidence clearly establishes, as the Village notes, that the step salary schedule approach was adopted by the Parties in negotiations for their initial contract as a result of the Union's rejection to be incorporated into the Village's pay performance plan. By this rejection and the Village's agreement to establish a different pay delivery approach, the Parties set the course for future wage negotiations based on a step salary structure. By the very fact that, in negotiations for the very first successor agreement, the Parties mutually agreed to modify the step salary structure by adding a tenth step as a

compromise to establishing a longevity pay provision, further evidences the Parties mutual willingness to effect changes to the schedule to meet their unique and evolving needs and circumstances. The fact that, the Union in these negotiations, has resisted the Village's further efforts to effect yet another change in the salary structure to meet what the Village perceives as a way of fine tuning the wage delivery system to meet its present needs, does not translate into a message that the Village is seeking a breakthrough change, a change it would otherwise not achieve in collective bargaining. With respect to this latter point, the entire thrust of an interest arbitration on the part of both parties to the proceeding is to obtain from either the Interest Arbitration Panel or, as here, the Sole Interest Arbitrator, concessions or benefits neither party was able to obtain at the collective bargaining table. In the case at bar, the Sole Interest Arbitrator is persuaded that based on the present needs of the Village, establishment of Steps 8 and 9 added to the existing salary structure makes greater sense than remaining with the status quo as advocated by the Union.

- SALARIES/WAGES - SCHEDULE A

- a. Final Offers

- Preface

- Given the substantial differences between the Parties in the way in which they have presented their respective salary/wage proposals for the three (3) year duration of this subject collective bargaining agreement, the Arbitrator has elected to set forth a side-by-side comparison of the salary/wage schedule for each year followed by each Party's characterization of their proposal.

FIRST YEAR
5/1/97

ENTRY	<u>VILLAGE</u>	<u>UNION</u>
	28,770	31,387
1	29,849	32,642
2	30,968	33,948
3	32,130	35,306
4	33,334	36,718
5	34,584	38,187
6	35,881	39,906
7	37,227	41,701
8	38,623	
9	40,071	
10	41,715	43,786

SECOND YEAR
5/1/98

ENTRY	<u>VILLAGE</u>	<u>UNION</u>
	29,345	31,701
1	30,446	32,968
2	31,588	34,287
3	32,772	35,659
4	34,001	37,085
5	35,276	38,569
6	36,599	40,305
7	37,971	42,118
8	39,395	
9	40,873	
10	43,175	44,443

THIRD YEAR
5/1/99

ENTRY	<u>VILLAGE</u>	<u>UNION</u>
	29,750	32,018
1	30,866	33,298
2	32,023	34,630
3	33,224	36,016
4	34,470	37,456
5	35,763	38,955
6	37,104	40,708
7	38,495	42,539
8	39,939	
9	41,437	
10	44,686	45,110

b. Parties View of Their Own Proposal

1. Village

Based on a dollar increase in the total wages paid to bargaining unit officers from the 1996 Fiscal Year to the 1997 Fiscal Year and using that same comparative analysis for 1998 and 1999, the Village characterizes its three (3) year offer in percentage terms as follows (Emp. Ex. 7):

1st year	6.00% increase
2nd year	5.19% increase
3rd year	5.30% increase

While the overall payroll for bargaining unit officers would increase by the percentage figures stated above, it is noted that individual officers, even on the same salary step, would receive variable percentage increases below and above the overall yearly percentage increase. This is primarily due to the fact that an annual increase in salary is effective on an officer's anniversary date of employment. Thus, some officers who were hired on or relatively soon after May 1st, the date the increases take effect, would be entitled to the new pay for a longer period of time throughout the year than an officer who was hired, for example, in March. Over the three (3) year period encompassed by the successor 1997-2000 Collective Bargaining Agreement, the total payroll for bargaining unit officers would increase by \$40,183.21 the first year, \$36,793.98 the second year and \$39,438.68 the third year or, a grand total for all three (3) years of \$116,415.87.⁹ According to these figures, the overall combined percentage increase in the payroll for bargaining unit officers over the entire three (3) years is approximately 16.43%.¹⁰

⁹ The Arbitrator notes there is a discrepancy in these figures for the second and third year between what is represented on Employer Exhibits 7 and 8. The Arbitrator is persuaded that the more accurate figures appear on Employer Exhibit 7 and thus, it was those figures that were used in this analysis.

¹⁰ The Arbitrator notes that this figure differs only very slightly from the sum arrived at by adding up the percentage increases stated hereinabove for each of the three (3) years which totals to 16.49%.

2. Union

The Union acknowledges that its first year proposed wage increases range from a low of 8.1% for Step 10 to a high of 14.9% applicable at Step 1 of the proposed schedule. In years two and three, the Union represents that its proposal calls for across-the-board increases of one percent (1%) to the Entry step and Steps 1 through 7 with a one and a half percent (1 1/2%) increase in Step 10 of the schedule. The Union submits that the objective of the variable percentage increases it proposes in the first year of the 1997-2000 Agreement is to raise the ranking of the Village among the comparable communities from one of the lowest paid departments to a ranking at or near the median of wage rates.

c. Findings

Although the Union does not believe it has proposed a "drastic increase" to wages in the first year, just on its face alone, a wage increase that ranges from a low of 8.1% to a high of 14.9% and averages 12.1% cannot be characterized within the context of a long-term stable economy with very low rates of inflation as something other than "drastic" or dramatic for that matter. The Union justifies its proposed first year increase on grounds that it would elevate the Village's wage/salary ranking among the identified comparable communities from one of the lowest to a median ranking. The Village retorts that since wages have been set through mutual agreement by the Parties during the first three (3) contract negotiations without the necessity of an interest arbitration, there simply is no need to grant an extraordinary increase, as a catch up provision in this contract.

A comparison of the Parties' respective first year proposal for both the Entry rate and the top rate with the identified comparable communities reveals that, if the Union's proposal was adopted the Village would have the third highest starting salary of the ten (10) comparable communities for which there is data (no data for Crest Hill and Willowbrook), surpassed only by Country Club Hills and LaGrange; and, as to the maximum or highest salary, the Union's proposal would place four (4) communities out of eleven (11) [no data for Crest Hill] ahead of the Village, to wit, Country Club Hills, Hickory Hills, LaGrange, and Willowbrook. Interestingly,

the Village's proposal would also position it seventh among the eleven (11) comparable communities with respect to the highest salary rate, that is, six (6) communities below it and four (4) communities with a higher salary whereas, the Village's proposed starting rate would position it in the very middle with four (4) communities below it and six (6) communities above it. Frankfort is the other community in the very middle with a starting rate \$220.00 higher than the Village. Additionally, with regard to the maximum or highest salary rate, the Village's proposed rate for Step 10 in this first year of the Agreement at \$41,715 forms a cluster with three (3) other comparable communities, namely, Frankfort at \$41,135, Lockport at \$41,307, and Lemont at \$41,350 whereas, the Union's proposed rate of \$43,786 would place it within approximately seven hundred dollars (\$700.00) of Country Club Hills with the remaining communities of Hickory Hills, LaGrange, Willowbrook, and Palos Heights (in ascending order of wages/salaries.¹¹ As to the entry or starting wage rate proposed by the Village, the Arbitrator is persuaded it is at a level deemed competitive based on the Village's uncontradicted assertion it has not experienced any problems in attracting applicants for the Police Department noting that, when the Fire and Police Commission administered the last test, the Village had 42 individuals on a waiting list to fill possible vacancies. Based on these findings with respect to comparative rankings, the Arbitrator does not find a compelling reason to grant the Union's proposed first year percentage increases. On the contrary, there are compelling comparisons as to why the Union's proposal should not be accepted over that of the Village's.

If one examines movement through the salary schedule proposed by the Union for the first year given the following two (2) assumptions, (a) taking one officer as an example, that officer's anniversary data is May 1st or, in other words, corresponds directly to the date upon which the salary increase becomes effective and, (b) that said officer was on the preceding lower step of the schedule in the prior year. Example, in 1996 the officer was on the Entry level step and in 1997, he/she advanced to Step 1. Additionally, assume further that an officer advancing from Step 7 to Step 10 had been at Step 7 the required three (3) years before advancing to Step 10.

¹¹ It was noted that wages/salaries for officers employed in Palos Heights is attributable, in part, to an 84 hour work schedule in a 14 day period.

The dollar increases and the percentage increase in salary would be as follows:

<u>1997</u>	<u>DOLLAR INC.</u>	<u>%AGE INC.</u>
FROM ENTRY LEVEL TO STEP 1	5,242	19.131
STEP 1 TO STEP 2	5,548	19.535
STEP 2 TO STEP 3	5,512	18.500
STEP 3 TO STEP 4	5,788	18.713
STEP 4 TO STEP 5	5,633	17.303
STEP 5 TO STEP 6	5,906	17.370
STEP 6 TO STEP 7	6,207	17.484
ADVANCE TO STEP 10	4,412	11.205

As can be determined from this analysis, taking into account step movement, the dollar increases in pay are very substantial and the professed average increase of 12.1% in salary/wage rates for the first year in actuality computes to an average percentage increase of 17.405%.

If these same assumptions are applied to the second and third years, the following dollar and percentage increases result

<u>1998</u>	<u>DOLLAR INC.</u>	<u>%AGE INC.</u>
FROM ENTRY LEVEL TO STEP 1	1,581	5.037
STEP 1 TO STEP 2	1,645	5.039
STEP 2 TO STEP 3	1,711	5.040
STEP 3 TO STEP 4	1,779	5.038
STEP 4 TO STEP 5	1,851	5.041
STEP 5 TO STEP 6	2,118	5.546
STEP 6 TO STEP 7	2,212	5.543
ADVANCE TO STEP 10	2,742	6.575

<u>1999</u>	<u>DOLLAR INC.</u>	<u>%AGE INC.</u>
FROM ENTRY LEVEL TO STEP 1	1,597	5.037
STEP 1 TO STEP 2	1,662	5.041
STEP 2 TO STEP 3	1,729	5.042
STEP 3 TO STEP 4	1,797	5.039
STEP 4 TO STEP 5	1,870	5.042
STEP 5 TO STEP 6	2,139	5.545
STEP 6 TO STEP 7	2,234	5.542
ADVANCE TO STEP 10	2,992	7.103

The above calculations reveal that the Union's proposed across-the-board percentage increases of one percent (1%) to the Entry Step and to Steps 1 through 7 and a one and one-half percent (1 1/2%) increase to Step 10 in both the second and third year salary/wage schedule, in actuality, taking into account step movement down the schedule, results in an average percentage increase in wages of 5.357% for 1998 and 5.423% for 1999. The only officers that would experience a one percent (1%) increase in salary/wages, are the officers that are frozen at Step 7. However, the exception to this finding is the officer that reached Step 7 in 1997. Due to the proposed increase by the Union in 1997, the officer frozen at Step 7, in his eighth year of service in 1997 would actually receive a dollar increase in salary/wages of \$2,327.00 or in percentage terms an increase of 5.909% which actually exceeds the average percentage increase for 1997 by nearly .6%. If in 1998, the officer is frozen at Step 7 but in his ninth year of service, that officer would receive a dollar increase of \$417.00 or a true 1.0% increase rounded to the nearest thousandth. If in 1999, the officer is frozen at Step 7 but in his ninth year of service, that officer would receive a dollar increase of \$421.00 or a true 1.0% increase rounded to the nearest thousandth. The same analysis applied to an officer who was at Step 10 in 1996 reveals he/she would receive under the Union's proposal in 1997, a dollar increase of \$3,286.00 or an 8.113% increase; in 1998 a dollar increase of \$657.00 or a true 1.5% increase; and for 1999, a dollar increase of \$667.00 or a true 1.5% increase.

Of the seventeen (17) Patrol Officers listed on the Village proposed Wage Schedule (Emp. Ex. 1), one (1) officer was at Step 7, one (1) officer was placed at Step 9 and two (2) officers were at Step 10 in the 1997 schedule; for the 1998 schedule, the officer that had been at Step 7 in 1997 advanced to Step 8, the officer that had been placed at Step 9 in 1997 advanced to Step 10 and, the other two (2) officers that were at Step 10 in 1997 remained at Step 10 in 1998. In the 1999 schedule, two (2) of the officers reached Step 7, the officer that had been at Step 8 in 1998 advanced to Step 9, and the three (3) officers that had reached Step 10 in 1998 remained at Step 10. Thus, under the Union proposal, with no additional steps added between Step 7 and Step 10, over the three (3) years of the 1997-2000 Agreement, six (6) of the seventeen (17) officers would be frozen at either Step 7 or Step 10. This means that the remaining eleven (11) officers would be moving through the schedule along with the possible addition of five (5) other officers to fill vacant positions.

Assuming that an officer was at the Entry Step on the Wage Schedule in 1996 at an annual salary rate of \$27,400.00 and the officer's anniversary date of employment was May 1st, that officer would, under the Union's proposal receive the following wage/salary increases: in 1997 he/she would advance to Step 1 and receive an increase of \$5,242.00, in 1998, the officer would advance to Step 2 for a dollar increase of \$1,645.00 and, in 1999, he/she would advance to Step 3 and receive an increase of \$1,729.00. Altogether, over the three (3) years of the 1997-2000 Agreement, said officer would receive a total increase in wages, in dollar terms of \$8,616.00 or in percentage terms, a 31.445% increase over his/her base wage rate in 1996. By anyone's measure of wage movement, this amounts to a huge increase, one which just cannot be supported by any of the arguments advanced here by the Union. Even if the Arbitrator looks at the scenario involving Officer Moon, who moved from Step 6 to Step 7 of the Wage Schedule, under the Union's proposal, Officer Moon would receive a dollar increase in 1997 of \$6,207.00. In 1998, Officer Moon would have been frozen at Step 7 and would have received only the across-the-board increase of 1.0% or, in dollar terms \$417.00. In 1999, Officer Moon would have again been frozen at Step 7 and would have received another across-the-board increase of 1.0% or, in dollar terms, \$421.00. Altogether, in the three (3) years of the successor 1997-2000 Agreement, Officer Moon would be the recipient of a total dollar increase in wages of \$7,045.00 or, in percentage terms, an increase of 19.845%. This increase too, by anyone's measure is very substantial over a three (3) year period even though this figure does not take into account the significantly large front-loading of wages and the compounding effect such front-loading has on the total cost of funding such wage/salary increases. As an aside, the Arbitrator notes that under the Village's proposed wage/salary schedules, Officer Moon over the three (3) years of the 1997-2000 Agreement, will receive an increase in dollar terms of \$5,624.43 representing an overall percentage increase of 15.025. This is an average of 5.0% each year which matches the percentage increases granted to non-union employees of the Village and exceeds by almost double, the current rate of inflation as measured by the regional Consumer Price Index (CPI) [Emp. Ex. 27].

Absent a finding of a compelling reason to grant such substantial increases in wages/salaries as that which are called for under the Union's proposal even in light of the fact the Village made no argument of an inability to pay and, further acknowledging that the Village's wage proposal is not perfect by any means, the Arbitrator

finds that the Village's final wage proposal more nearly complies with the relevant applicable factors prescribed in Subsection 14(h) of the Statute.

2. HOLIDAY PAY/HOLIDAY ON DAY OFF - ARTICLE VIII, SECTION 8.2A

a. Final Offers

VILLAGE

UNION

Status quo - premium rate of pay of double time for performing work on a Contractual Holiday

Proposes that the premium rate of pay be double time and a half

Consists of receiving 8 hours of straight time pay for the holiday plus being compensated at the regular rate of pay for actual hours worked on the holiday

Consists of receiving 8 hours of straight time pay for the holiday plus being compensated at time and one-half for actual hours worked on the holiday

b. Parties' Positions

1. UNION'S POSITION

The Union asserts the trend for the comparable communities is to pay police officers premium pay who are required to work traditional national holidays. In support of its position, the Union notes that the following comparable communities pay at least time and one-half for work performed on holidays:

Country Club Hills
Crest Hill
Hickory Hills
LaGrange

Lockport
Mokena
Palos Heights
Plainfield

Add to this, two (2) comparable communities identified by the Village, to wit:

Lemont

Shorewood

The Arbitrator notes that Palos Heights pays this premium rate for only three (3) of the nine (9) designated holidays.

2. VILLAGE'S POSITION

The Village notes that non-police employees if called to work on a holiday may receive time and one-half (1 1/2) as overtime compensation in addition to the holiday pay. However, the Village asserts that the distinction between non-police employees and police employees is that by virtue of the fact police services are provided to the community 24 hours a day, seven (7) days a week, holidays are part of an officer's regular shift. In addition, the Village concedes that although four (4) of the five (5) communities it put forth as compensable pays their officers double time and one-half for working on a holiday, it submits that none of those municipalities provide as many contractual holidays as it does. According to the 1996-97 Agreement (Emp. Ex. 6), the Village provides for a total of 10 1/2 holidays (the half being New year's Eve), whereas, Lemont and Plainfield provide 8 holidays, Mokena provides 9, and Shorewood provides 10. The Village calculates that under its proposed Wage Schedule, the additional holiday pay over all three (3) years of the 1997-2000 Agreement would cost an additional \$20,507.00 dollars whereas, under the Union's proposed Wage Schedule (which has already been rejected elsewhere above) would cost a total of \$22,103.00. According to the Village, as one percent (1%) of salary equals approximately \$6,600.00, the Union's proposal translates into another three (3) plus percent (over 3%) more money in the form of compensation.

c. Findings

Unable to ignore the overwhelming evidence of a practice on the part of ten (10) of the twelve (12) identified comparable communities to compensate their police officers premium pay of time and one-half for time worked on a holiday in addition to compensating them for eight (8) hours of holiday pay, the Arbitrator finds that the Union's position more nearly complies with the relevant applicable factors prescribed in Subsection 14(h) of the Statute, notwithstanding the Village's evidence

that it provides for a greater number of holidays than a number of the comparable communities now paying the premium of double time and one-half for working on the holidays.

2. SICK LEAVE ACCRUAL AND USAGE - ARTICLE IX
SECTION 9.3

a. Final Offers

VILLAGE

Maintain the present maximum sick leave accumulation of 540 hours (67.5 days) but agree to provide for payment of 25% of unused sick leave upon retirement

UNION

Increase maximum sick leave accumulation to 600 hours (75 days) and provide payment of 25% of unused sick leave upon retirement

b. Parties' Positions

1. UNION'S POSITION

The Union submits that data for the comparable communities overwhelmingly supports its position of increasing the maximum number of hours/days of accumulated sick leave noting that the average amount of sick leave accrual for the communities it identified as comparable equals to 231.55 days. The Union asserts its proposal to increase the maximum accrual of sick leave to 75 days is a reasonable attempt to increase a current benefit in an incremental fashion in order to approach the local community average.

2. VILLAGE'S POSITION

The Village notes that the maximum accumulation of 67.5 days of sick leave is applicable to all its employees and therefore, internal comparability should be the prevailing factor with respect to keeping this benefit uniform. Additionally, as a result of its agreeing to pay a new benefit of 25% of unused sick leave upon retirement, the Village argues it should not also be required to increase the maximum accrual amount at the same time. Furthermore, according to calculations it performed

pertaining to projected cost of increasing the maximum accrual of sick leave days from 67.5 to 75, the Village figured that this additional benefit would cost approximately in the range of four hundred (\$400.00) to six hundred (\$600.00) dollars per retired employee. The Village contends this additional benefit is not necessary.

c. Findings

Of the twelve (12) comparable communities, the record evidence reflects data on this benefit exists for eleven (11), ten (10) of which have a maximum accrual of sick leave greater than the Village. In ascending order of the number of days of maximum accrual, these eleven (11) communities are as follows:

Frankfort	25 days
Shorewood	96 days
Mokena	105 days
Willowbrook	120 days
Lockport	132 days
Crest Hill	140 days
LaGrange	180 days
Lemont	180 days
Plainfield	180 days
Hickory Hills	240 days
Palos Heights	no limit

Notwithstanding the Village's argument of internal comparability, the Arbitrator is compelled to concur in the Union's position that the evidence overwhelmingly supports its proposal for increasing the maximum amount of accrued sick leave and that an increase of sixty (60) hours or, 7 1/2 days is not unreasonable, in light of the fact that for the communities listed above that have a finite number of days fixed for this maximum accrual, the average number of days for this benefit equals 139.8 days. Even with raising the Village's maximum accrual to a total of 75 days, the Village's ranking among these eleven (11) comparable communities still places it second from the bottom with Frankfort at the very bottom, and that such an increase did nothing to alter this ranking. This result is judged by the Arbitrator to comport with the Union's view that this incremental increase of 7 1/2 days is reasonable in its quest over time to raise the total maximum accrual to the comparable

communities' average. As to the Village's argument of internal comparability, noting that every employee on its payroll has the same maximum accrual of sick leave, the Arbitrator is impelled to state the obvious and, that is, that given the distinctive nature of police work in comparison to the other work performed by employees of the Village, there is a strong rationale in support of the position that certain benefits granted to police should necessarily deviate from those granted other employees due to the uniqueness of police duties and their working life in general. The Village's other asserted argument that in its agreeing to provide for payment of 25% of unused sick leave upon retirement which is a newly established benefit, it should not also be subject to an increase in the maximum accrual amount of sick leave, the Arbitrator does not find this argument particularly persuasive in light of the fact that other comparable communities provide some version of this arrangement to compensate retiring officers. Accordingly, the Arbitrator finds that the Union's position more nearly complies with the relevant applicable factors prescribed in Subsection 14(h) of the Statute.

4. HEALTH INSURANCE BENEFITS FOR RETIREES -
ARTICLE XVI - NEW SECTION 16.4

a. Final Offers

VILLAGE

Reject Union
Proposal

UNION

Village to pay 50% of the premiums for the same hospitalization and dental benefits provided active employees to those retired employees who have reached the age of 50 and have at least 20 years of service, until such time as the retired employee elects to cancel the coverage, or the employee becomes eligible for Medicare benefits

b. Parties' Positions**1. UNION'S POSITION**

By its own acknowledgment, the Union notes its proposed new benefit represents a "breakthrough" issue but supports the proposal based on the Subsection 14(h) factor of "Overall Compensation" and the "catch-all," such other factors (Factors #6 & #8 respectively, see page 14 of this Findings and Award). The Union identifies the "catch-all" other factors as being officer morale asserting that officers who, because of age and length of service, have the option of retiring are, in effect, prevented from exercising this option due to the cost of health insurance. The Union notes that two (2) of the comparable communities, specifically, **LaGrange** and **Palos Heights** provide a similar retirement benefit to their police officers.

2. VILLAGE'S POSITION

The Village maintains it does not pay any medical or dental insurance premiums for any retired employees and that none of the comparable communities it identified pays such a benefit. Based on its calculations of the cost of this new benefit for the span of coverage from age 50 until Medicare eligibility, the Village estimates it would amount to \$27,220 per employee for HMO single coverage and \$53,851 per employee for PPO single coverage. The Village submits that the annual cost for HMO coverage per employee based on a 50% contribution ranges from \$1,742.00 to \$2,485.00 and that it should be kept in mind that the monetary sum of \$6,600.00 equals one percent (1%) of salary for the entire bargaining unit. The Village notes that the Union did not provide any figures with respect to the cost of this proposed new benefit. The Village argues there is no reasonable reason upon which to support adoption of this breakthrough benefit and, therefore, asserts that the status quo must be retained.

c. Findings

As the Union stated in its post-hearing brief citing Village of Markham, S-MA-95-63, p. 34 (Berman), when one party seeks to implement entirely new benefits or procedures or, to markedly

change the product of previous negotiations, the onus is on the party seeking the change to demonstrate that the reasons to institute the change are sufficient and valid. The Arbitrator notes in the case at bar that the sole reason proffered by the Union for seeking this new benefit is to alleviate the concerns officers have of being in a position to retire but, unable to do so because of a financial inability to pay health insurance premiums for continued coverage of medical and dental benefits. Additionally, the Union submits that if this benefit were granted, it would have a most positive effect on officer morale. The Arbitrator deems the reasons advanced by the Union in support of this proposal not to be sufficient nor valid, especially in view of the fact that only two (2) of the twelve (12) identified comparable communities provide some version of this benefit and that both of these cited communities, LaGrange and Palos Heights, rank among the top with respect to maximum pay for police officers. Unless disabled, at the time of an early age retirement, police officers retiring at age 50 are young enough to find other gainful employment either part-time or full-time, and earnings from such employment should be sufficient enough to pay for health insurance premiums on policies that provide equivalent coverage and benefits to those they received when employed as a patrol officer with the Village. Accordingly, based on the foregoing rationale, the Arbitrator concurs in the Village's final offer of rejecting the Union's proposal with respect to establishing this new benefit.

B. NON-ECONOMIC ISSUES

1. SALARY/WAGE SCHEDULE STRUCTURE

(see pp. 17-22 of this Findings and Award)

2. SHIFT BIDDING - ARTICLE V - NEW SECTION 5.6

a. Final Offers

VILLAGE

Maintain Status Quo/
Reject Union Proposal

UNION

To add a new provision
permitting employees
to select shifts
according to seniority
except for exclusion
of certain specialty
positions

b. Parties' Positions

1. UNION'S POSITION

The Union submits it seeks this change because the present current rotation of shifts on a three (3) month basis from days to afternoons, from afternoons to midnights, and from midnights to days frequently requires the modification of an officer's scheduled days off so as to accommodate shift minimum staffing requirements. The Union submits that more than fifty percent (50%) of the 3-month rotation of shifts result in the adjustment of an officer's days off and, as a result, said adjustments might require an officer to utilize accrued vacation time or personal days in order to honor previously scheduled commitments which initially did not conflict with the officer's work schedule. The Union contends that its proposal which would replace the current 3-month rotation of shifts procedure with a seniority shift-bidding provision would allow officers the ability to have increased control over their shift and day-off schedules. The Union asserts that two (2) of the identified comparable communities, specifically, **LaGrange** and **Palos Heights**, both utilize seniority shift bidding for police officers, though their respective collective bargaining agreements do not reflect the practice. The Union notes the several criticisms raised by the Village over its proposed procedure but asserts it has provided sufficient exceptions to meet all the administrative concerns articulated by the Village.

2. VILLAGE'S POSITION

The Village maintains that shift bidding is not the norm among police departments of a small size such as its own force. In particular, the Village asserts that the Union's proposal would cause a problem in balancing the number of experienced officers who man a shift noting that, if specialty positions are excluded, only four (4) officers would be eligible to bid. The Village further notes that the four (4) officers to whom it refers, have an average experience of 2.8 years which is a significant factor in light of the Parties' mutual agreement pertaining to Officer in Charge pay of 50 cents per hour paid to a Patrol Officer when acting in place of a Sergeant. Specifically, such an Officer in Charge position is intended for a senior patrol officer to lead the shift in the absence of the Sergeant and under a shift bidding by seniority procedure as proposed here by the Union there would be no guarantee a senior officer would be on a shift. The Village also states it has safety concerns in not being able to staff a shift with a combination of junior and senior officers. The Village asserts that the Union's proposal is not unreasonable and, therefore, the status quo must be maintained.

c. Findings

The Arbitrator is persuaded by the whole of the arguments advanced by both Parties that even though the Union has attempted to anticipate the major concerns of the Village regarding the viability of the procedure by ceding to the Chief of Police the discretion to reasonably require the assignment of officers designated as field training officer, evidence technician, juvenile officer, crime prevention officer and/or investigator to specific shifts based upon departmental needs, nevertheless, there is no evidence of a specific nature that, once awarded and put in place, this procedure would actually work given the relatively small size of the police force. Additionally, given the fact that only two (2) of the comparable communities have such a seniority shift bidding procedure in place persuades the Arbitrator that, as the Village notes this procedure is not the norm, certain unique factors exist in LaGrange and Palos Heights that make the procedure viable there that do not necessarily exist in the Village. That being the

case, the Arbitrator is not willing to grant a proposal that substantially deviates from the existing procedure absent assurances, by way of greater detailed and much more persuasive evidence that, the procedure is viable under all the relevant circumstances under which the Village must operate in providing adequate police services to its inhabitants. Accordingly, based on the foregoing rationale, the Arbitrator concurs in the Village's final offer of rejecting the Union's proposed new shift bidding procedure in favor of maintaining the status quo.

X. AWARD

Based on the rationale set forth in the preceding Section IX Findings, the Arbitrator directs implementation of the following Award:

A. ECONOMIC ISSUES**1. SALARIES/WAGES - SCHEDULE A**

The Village's proposed salary/wage schedules for all three (3) years: 1997, 1998 and 1999.

Pursuant to stipulation, the wage increase for 1997 shall be retroactive to May 1, 1997. Consistent with this stipulation, the wage increase for 1998 shall be retroactive to May 1, 1998.

2. HOLIDAY PAY/HOLIDAY ON DAY OFF - ARTICLE VIII, SECTION 8.2A

The Union's proposal of double time and a half.

3. SICK LEAVE ACCRUAL AND USAGE - ARTICLE IX, SECTION 9.3

The Union's proposal of a maximum accrual of 75 days of sick leave.

Additionally, the mutual agreement to provide payment of 25% of unused sick leave upon retirement.

4. HEALTH INSURANCE BENEFITS FOR RETIREES - ARTICLE XVI - NEW SECTION 16.4

The Village's proposal to reject the Union's proposal to establish this new benefit.

B. NON-ECONOMIC ISSUES**1. SALARY/WAGE SCHEDULE STRUCTURE**

The Village's proposal to institute the two (2) additional steps to the salary/wage schedule specifically, Steps 8 and 9.

2. SHIFT BIDDING - ARTICLE V - NEW SECTION 5.6

The Village's proposal to maintain the status quo.

C. OTHER ISSUES (BY STIPULATION)

• ACTING WATCH COMMANDER COMPENSATION -
ARTICLE V - NEW SECTION 5.1C

The Parties' proposal to add the following language:

Any covered officer required to act as the Watch Commander for a shift in the absence of a sergeant shall receive an additional fifty cents per hour (\$.50/hr.) for all hours so worked.

GEORGE EDWARD LARNEY
Sole Interest Arbitrator

Chicago, Illinois
August 18, 1998

