

INTEREST ARBITRATION DECISION
ILLINOIS FRATERNAL ORDER OF POLICE LABOR COUNCIL
 &
MONTGOMERY COUNTY AND
MONTGOMERY COUNTY SHERIFF'S DEPARTMENT

JULY 6, 1998

In the Matter of:

**Illinois Fraternal Order of Police
Labor Council**

&

**Montgomery County and
Montgomery County Sheriff's Department**

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By Assignment of the
Illinois State Labor Relations Board
Case No. S-MA-98-45

ISSUES

- A. Longevity Pay
- B. Holiday Pay

HEARING & BRIEFING DATE AND SITE

HEARING: May 27, 1998

BRIEFS: Waived by Mutual Agreement of the Parties

AWARD AND DECISION: July 6, 1998

For the Union

Ms. Becky S. Dragoo
 Illinois Fraternal Order of Police Labor Council
 974 Clock Tower Drive
 Springfield, IL 62704
 217.698.9433

For the County

Mr. Timothy J. Reardon
 Athas, Apostol, Kowal & Bridge
 915 S. Second St..
 Springfield, IL 62704
 217.523.9050

ARBITRATOR

Michael H. LeRoy

I. Pre-Hearing Stipulations

The authorized representatives stipulated the following:

1. The Arbitrator in ISLRB Case No. S-MA-98-45 shall be Michael H. LeRoy. The parties stipulate that the procedural prerequisites for convening an arbitration hearing have been met, and that the Arbitrator has jurisdiction and authority to rule on those mandatory subjects of bargaining submitted to him as authorized by the Illinois Public Labor Relations Act, including but not limited to the express authority and jurisdiction to award increases in wages and all other forms of compensation retroactive to December 1, 1997. Each party expressly waives and agrees not to assert any defenses, right or claim that the Arbitrator lacks jurisdiction and authority to make such a retroactive award; however, the parties do not intend by this Agreement to predetermine whether any award of increased wages or other forms of compensation in fact should be retroactive.

2. The hearing in said case will be convened on May 27, 1998 at 9:30 a.m. The requirement set forth in Section 14(d) of the Illinois Public Labor Relations Act, requiring commencement of the arbitration hearing within fifteen (15) days following the Arbitrator's appointment, has been waived by the parties. The hearing will be held in the Sheriff's Conference Room in the County offices in Hillsboro, Montgomery County, Illinois.

3. The parties have agreed to waive Section 14(b) of the Illinois Public Labor Relations Act requiring the appointment of panel delegates by the employer and exclusive representative.

4. The hearing will be transcribed by a court reporter or reporters whose attendance is to be secured for the duration of the hearing by agreement of the parties. The cost of the reporter and the Arbitrator's copy of the transcript shall be shared equally by the parties.

5. The parties agree that the following issues remain in dispute and that these issues which are mandatory subjects of bargaining may be submitted for resolution by the Arbitrator. The parties agree that the following issues are economic within the meaning of Section 14(g) of the Illinois Public Labor Relations Act:

(A) What increases in wages will be received by bargaining unit members;

(B) Whether longevity pay will be added to the agreement;

(C) The language of the agreement governing compensation for holidays;

(D) The language of the agreement governing the amount of shift differential(s) compensation;

(E) The language of the agreement governing the uniform allowance (annual boot/shoe allowance);

7. The parties agree that the following exhibits and information shall be submitted to the Arbitrator at the start of the hearing on May 27, 1998:

(A) The current Labor Contract between Montgomery County and the Illinois Fraternal Order of Police Labor Council (Joint Exhibit 1).

(B) The tentative agreements reached by the parties during negotiations which have been initialed by both parties (joint Exhibit 2).

(C) The Ground Rules and Pre-Hearing Stipulations of the parties (Joint Exhibit 3);

8. The tentative agreements introduced by the parties as Joint Exhibit 2 shall be incorporated, by reference, into the Arbitrator's Award;

9. Final offers shall be exchanged no later than the start of the arbitration hearing on May 27, 1998. Thereafter, such final offers may not be changed except by mutual agreement of the parties.

10. Each party shall be free to present its evidence in either the narrative or witness format. The Labor Council shall proceed first with its case-in-chief. Each party shall have the right to present rebuttal evidence.

11. Post-hearing briefs shall be sent to the Arbitrator, with a copy sent to opposing party's representative by the Arbitrator, no later than forty-five (45) days from receipt of the full transcript of the hearings by the parties, or such further extensions as may be mutually agreed to by the parties. The postmarked date of mailing shall be considered to be the date of submission of a brief.

12. The Arbitrator shall base his findings and decisions upon the applicable factors set forth in Section 14(h) of the Illinois State Labor Relations Act. The Arbitrator shall issue his award within sixty (60) days after submission of the post-hearing briefs or any agreed upon extension requested by the Arbitrator.

13. Nothing contained herein shall be construed to prevent negotiations and settlement of the terms of the contract at any time, including prior, during, or subsequent to the arbitration hearing.

14. Except as modified herein, the provisions of the Illinois Public Labor Relations Act and the rules and regulations of the Illinois State Labor Relations Board shall govern these

arbitration proceedings.

15. The parties represent and warrant to each other that the undersigned representatives are authorized to execute on behalf of and bind the respective parties they represent.

For Montgomery County & Montgomery County Sheriff: Timothy J. Reardon, May 27, 1998.

For the Illinois F.O.P. Labor Council: Becky S. Dragoo, May 27, 1998.

II. Comparable Jurisdictions

A. Comparability Discussed at the Hearing: At the hearing, the Union and County agreed on five of Montgomery County's comparable jurisdictions: Christian, Clinton, Effingham, Logan, and Morgan.

The Union also proposed Macoupin, DeWitt, Fayette, Greene, Marion, Piatt, and Shelby. The FOP used several criteria to form its list. These counties are mostly rural, are within 100 miles of Montgomery County, have small populations, and have union representation.

Montgomery County also proposed Jefferson, McDonough, and Woodford as additional comparables. The County used population and a general geographic boundary of I-64 to the south and I-74 to the north to justify these choices.

B. Analysis: Both parties offer realistic comparables. Since the parties agree on five jurisdictions, these are obvious candidates for my adoption as comparables.

I add one county to this agreed-upon group, Macoupin, because it shares a long north-south border with Montgomery County and is essentially rural, like Montgomery County. I see no reasonable basis to exclude Macoupin as a comparable county.

I see little to be gained by selecting among the other counties on which the parties fail to agree. Woodford (offered by the County) and Piatt (offered by the Union) are more distant than

the agreed-upon comparables, and therefore are more likely to have different labor market dynamics. Also, both counties adjoin two significantly larger, urban counties and therefore are likely to experience a variety of spillover effects that differ from Montgomery County's essentially rural character.

**Table 1: Comparable Counties for Montgomery County
(Alphabetical Order)**

County	Population	Median Home Value	Equalized Assessed Valuation	Number of Full-Time Officers ¹
Christian	34,418	Not Available	Not Available	Not Available
Clinton	33,944	\$55,000	\$200,729,639	18
Effingham	31,704	Not Available	Not Available	Not Available
Logan	30,798	Not Available	Not Available	Not Available
Macoupin	47,679	\$39,700	\$261,662,522	23
<u>Montgomery</u>	<u>30,728</u>	<u>\$35,300</u>	<u>\$239,779,243</u>	<u>12</u>
Morgan	36,397	Not Available	Not Available	Not Available

III. Final Offers and Rulings on Longevity Pay

The Union's Offer: Since the formation of the parties' collective bargaining relationship, longevity pay has not been provided. The Union's final offer is summarized in this schedule (Union Exhibit, Tab 3):

1-5 years of service: No longevity pay.

After 5 years of service: 1 percent added to the base salary.

After 10 years of service: 2 percent added to the base salary.

After 15 years of service: 3 percent added to the base salary.

¹ Union Exhibit, Tab 4.

After 20 years of service: 4 percent added to the base salary.

The Union justifies its offer primarily in terms of what its comparable jurisdictions provide. Nine out of the ten comparable counties have a longevity pay plan (Union Exhibit, Tab 12). Several have numerous steps that provide incremental pay increases. Christian County, for example, provides an incremental increase for each year in a deputy's first 20 years of service.

The Union characterizes its impasse with the County over this matter as a philosophical difference. At the hearing, the Union representative justified this offer by stating:

". . . (F)undamentally we believe that more senior employees deserve some type of additional compensation for their experience, for their years of service, with the employer."

Tr. 25.

The Union also acknowledged that Montgomery County deputies are paid more than their counterparts in most comparable jurisdictions, but explained why surface comparisons of annual earnings are misleading. When the parties negotiated their first labor agreement, deputies expressed displeasure with the County's health insurance program. The net result was an agreement whereby the County agreed to increase deputy pay by 60 cents per hour and deputies were free to use this money to purchase their own health insurance. Tr. 43. The Union's point in reviewing this history is that their salaries appear to be inflated compared to others, but other jurisdictions pay for deputy health insurance outside of a salary expenditure. Thus, a true comparison of pay and benefits must account for this difference in the method of payment.

In sum, the Union maintains that without longevity pay, high seniority deputies will fall behind their counterparts in comparable jurisdictions. Tr 46. The Union acknowledges that it is seeking what might be characterized as a "breakthrough" from this arbitration; but it says this fact

should not be held against the deputies. Pointing to the fact that Montgomery County is a rare exception in not providing longevity pay, the Union says "there are some instances where arbitrators must step in and fix the problem." Tr. 46

The County's Final Offer: The County's final offer is for no longevity pay.

The County is opposed in principle to the concept of longevity pay because it builds in cost increases every year, in addition to any pay increase. The County explained:

The problem with percentage longevity . . . is that it's a given every time you negotiate a wage increase, the dollar value of a percentage longevity plan is going to go up. It becomes regarded by labor organizations as a freebie, but it is very definitely a cost factor to the employing jurisdiction. (Tr. 78)

The County also views this issue as potentially "groundbreaking" in the sense that deputies have never successfully bargained for this compensation. No party should achieve a breakthrough in interest arbitration. The County suggests that there is virtually no precedent under the statute that permits an arbitrator to award such a breakthrough. Tr. 79.

Arbitrator's Adoption of Final Offer: I adopt the County's position of no longevity pay. As a practical matter, the County is generally right that arbitrators acting under this law are reluctant to take away or add entirely new substantive provisions of a CBA. I add, however, that this general practice is not expressly endorsed or mandated by the law.

More to the point, it is not the basis for my adoption of the County's position. Instead, my decision is based expressly on Section 14(h)(6). That provision permits me to give controlling weight to 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. . . and all other benefits received."

Comparatively speaking, Montgomery County deputies are compensated better than their counterparts, as the table below shows. It takes little or no analysis to conclude that, even without a longevity pay plan, all or most Montgomery County deputies are paid more than their counterparts in comparable jurisdictions.² The best way to summarize this comparison is to compare the starting pay for Montgomery with top-pay for deputies in other counties. Montgomery County's starting pay of \$33,299 exceeds pay for Clinton County (\$33,072 at 20 years), Effingham County (\$32,808 at 20 years), Logan County (\$30,000 at 20 years), Macoupin County (\$25,616 at 20 years), and Morgan County (\$30,840 at 20 years).³

I used the Union's exhibit, *Cost of Union's Current Proposal, Cost of Union's Proposed Longevity Plan* (Tab 29), showing the tentatively-agreed upon salary of Montgomery County deputies once a 3% increase takes effect December 1, 1998. On its face, that document does not clearly indicate whether this pay increase includes \$166.88 per month for health insurance. Even if it does, that leaves annual pay (less the amount for insurance) for Montgomery County deputies, annualized from December 1, 1998, at approximately at \$31,295. This still does not change the fact that compensation for Montgomery County deputies, even without longevity pay, is comparable to high-seniority deputy pay in comparable jurisdictions with longevity pay.

² In reaching this conclusion, I used pay that takes effect in 1998. I note, however, that information for Logan and Effingham County are good only for 1997 salaries.

³ These figures are derived from Union Exhibit, Tab 19.

County	Start Salary	1 Year	5 Years	10 Years	15 Years	20 Years
Christian⁴	N/A	N/A	N/A	N/A	N/A	N/A
Clinton⁵	\$26,520	\$26,520	\$32,340	\$33,072	\$33,072	\$33,072
Effingham⁶	\$27,972	\$27,972	\$31,212	\$31,812	\$32,808	\$32,808
Logan⁷	\$21,000	\$22,000	\$26,000	\$29,500	\$30,000	\$30,000
Macoupin⁸	N/A	N/A	N/A	N/A	N/A	N/A
Montgomery⁹	<u>\$33,299</u>	<u>\$33,299</u>	<u>\$33,299</u>	<u>\$33,299</u>	<u>\$33,299</u>	<u>\$33,299</u>
Morgan¹⁰	\$21,697	\$26,176	\$27,909	\$28,631	\$30,088	\$30,840

⁴ The Agreement lists only a percentage increase from base salary. See *County of Christian and Sheriff of Christian County and Fraternal Order of Police Labor Council, Lodge No. 237*, p. 40.

⁵ *1998 Wages in Union's Proposed Comparable Jurisdictions, Adjusting Montgomery County by Current Single Health Insurance Premium of \$166.88 Per Month*, Union Exhibit, Tab 19, also confirmed in *Agreement between County of Clinton and Clinton County Sheriff and Illinois Fraternal Order of Police*, Appendix D, p. 51. These salaries are to be in effect on December 1, 1998.

⁶ I calculated these figures based on the wage scale in Effingham's most recent CBA, located in Union Tab 30. See *Agreement between Effingham County and AFSCME Council 31, Local 3311*, Appendix C, p. 44, Deputy column. These salaries were in effect from September 1, 1997 through August 31, 1998.

⁷ I calculated these figures based on the wage scale in Logan County's most recent CBA, located in Union Tab 30. See *Agreement between County of Logan and Illinois Fraternal Order of Police Labor Council, Lodge No. 78*, p. 43, Deputy. These salaries were in effect from December 1, 1997 through November 30, 1998.

⁸ The Agreement lists only a percentage increase from base salary. See *Collective Bargaining Agreement between County of Macoupin and Laborers' Int'l Union, Local Union No. 1274*, Art. XX, Section 1, pp. 20-21.

⁹ *Cost of Union's Current Proposal, Cost of Union's Proposed Longevity Plan*, Union Exhibit, Tab 29, showing the tentatively-agreed upon salary of Montgomery County deputies once a 3% increase takes effect December 1, 1998.

¹⁰ *1998 Wages in Union's Proposed Comparable Jurisdictions, Adjusting Montgomery County by Current Single Health Insurance Premium of \$166.88 Per Month*, Union Exhibit, Tab

IV. Final Offers and Rulings on Holidays

The Union's Offer: The Union's final offer would amend Article XVIII of the expiring Agreement. Language proposed for deletion has a strike-out; additional language is underlined:

As soon as practicable, after the Chief Judge of the Circuit publishes a list of the Holidays to be observed, the County shall determine and publish a list of Holidays to be observed by County employees. ~~Current practice relative to holiday pay for all non-probationary full time employees in the bargaining unit shall continue. All employees shall receive one shift's pay as holiday recognition pay for each recognized holiday which is observed by the County. Employees who are scheduled to work on a recognized holiday will receive one and one-half times (1.5x) their hourly rate for all worked hours on the holiday, in addition to their holiday recognition pay. Part-time employees will not receive holiday benefits.~~

The Union justified this offer in terms of practices at most comparable jurisdictions:

(I)f you isolated Clinton County, Logan County, Marion County, and Macoupin County . . . all of them far exceed what Montgomery County's holiday rate of pay is, those jurisdictions that pay exactly what the Union is seeking. Tr. 38-39.

The County's Final Offer:

A. Easter Sunday, July 4th, Thanksgiving Day and Christmas Day to be designated as "family holidays." Employees who work will receive regular pay plus time and one half for all hours worked on a "family holiday" or equivalent time off.

B. Employee scheduled to work on a designated holiday other than a "family holiday"

19, also confirmed in *Employment Agreement between Morgan County Board of Commissioners and Morgan County Sheriff*, p. 20. These salaries are to be in effect on September 1, 1998.

will receive regular pay plus straight time pay or equivalent time off for hours worked.

The County justified its final offer by stressing that it matches comparable jurisdictions, and that it moves in the direction sought by bargaining unit employees:

But we suggest that only one county of the ones in our survey appears to pay time and a half for all the holidays worked. However, at least four counties utilized for comparison purposes . . . time and a half for hours worked on four or five family holidays. . . .

And in the County's final offer I've attempted to set forth a proposal that tries to move in that direction. It's not quite what the Labor Council was seeking, but it's a movement in the right direction. Tr. 83-84.

Arbitrator's Adoption of Final Offer: I adopt the Union's final offer. My ruling is based on Section 14(h)(4), "(c)omparison of . . . conditions of employment of the employees involved in the arbitration proceeding with the . . . conditions of employment of other employees performing similar services . . . (A) (I)n public employment in comparable communities."

The table on the next page demonstrates that **both** the County's and the Union's final offer meet the statute's comparability standard. Essentially, the six counties divide evenly for the parties. I resolved this deadlock by examining the other public employee labor agreement involving Montgomery County. The *Collective Bargaining Agreement between Montgomery County and Local Union 1984, Laborers' Int'l*, covering maintenance and clerical workers, gives these workers the same holidays as deputies but pays employees who work these holidays at "the rate of double time."¹¹ This method is more consistent with the Union's final offer than the County's final offer. Based on this internal comparison, I adopt the Union's final offer.

¹¹ Art. VI, Section 1, p. 11, Union Exhibit, Tab 25.

Table 3: Holidays Paid at 1.5 or More Accrual Rate

	<u>County</u>					
	Christian ¹²	Clinton ¹³	Effingham ¹⁴	Logan ¹⁵	Macoupin ¹⁶	Montgomery Morgan ¹⁷
New Year		X*	X	X**	X	Union Offer
M.L. King		X*		X**	X	Union Offer
Lincoln		X*		X**	X	Union Offer
Washington		X*		X**	X	Union Offer
Citizenship					X	
Good Friday		X*		X**		
Easter	X	X*		X**		Union Offer
Memorial		X*		X**	X	Union Offer
4th of July	X	X*	X	X**	X	Union Offer X
Labor		X*	X	X**	X	Union Offer
Columbus		X*		X**	X	Union Offer
Election		X*		X		Union Offer
Veteran's		X*		X**	X	Union Offer
Th'giving	X	X*	X	X**	X	Union Offer X
T-Day-After		X*		X**	X	Union Offer X
Christmas	X	X*	X	X**	X	Union Offer X

* The Clinton County Agreement does not specify holidays, but states that any holiday designated by the County Board shall be paid at the time and one-half rate. The CBA allows accrual up to 14 holidays. ** The Logan County Agreement is like Clinton County, but allows time and a half accrual rate for compensatory time-off and recognizes 13 holidays

¹² See *County of Christian and Sheriff of Christian County and Fraternal Order of Police Labor Council, Lodge No. 237, Art. XV, Section 2, p. 30.*

¹³ See *Agreement between County of Clinton and Clinton County Sheriff and Illinois Fraternal Order of Police, Article 21, p. 32.*

¹⁴ See *Agreement between Effingham County and AFSCME Council 31, Local 3311, Art. 8, p. 14.*

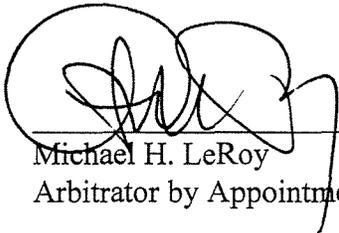
¹⁵ See *Agreement between County of Logan and Illinois Fraternal Order of Police Labor Council, Lodge No. 78, p. 23.*

¹⁶ See *Collective Bargaining Agreement between County of Macoupin and Laborers' Int'l Union, Local Union No. 1274, Art. XIV, Sections 1-2, pp. 15-16.*

¹⁷ See *Employment Agreement between Morgan County Board of Commissioners and Morgan County Sheriff, Art. XIII, Section 3, p. 16.*

V. INTEREST ARBITRATION AWARD

1. I adopt the County's final offer of no longevity pay.
2. I adopt the Union's final offer for holidays.
3. This Award expressly adopts and incorporates all agreements and understandings reached, and entered into, by the County and Union during the pendency of this interest arbitration.



Michael H. LeRoy
Arbitrator by Appointment of the ISLRB

This Award Entered Into
this **6th Day of July, 1998,**
in Champaign, Illinois.