BEFORE
JAMES R. COX
ARBITRATOR

COUNTY OF EDGAR
EDGAR COUNTY SHERIFF

and

INTEREST ARBITRATION
S-MA-03-244

ILLINOIS F.O.P. LABOR COUNCIL

DECISION AND AWARD

The Hearing in this matter was conducted by the Arbitrator in Paris, Illinois February 14, 2006. Attorney Lorna Geiler of the Meyer Capel Law Firm represented the Employers[1] while FOP Attorney Thomas Sonneborn presented the Union case. Each Representative made a persuasive Closing Statement following presentation of evidence.

There are two non-economic issues and five economic issues. The Parties have stipulated that these matters are properly before me and that I have authority to provide wage and benefit adjustments retroactive to December 1, 2003, December 1, 2004 and December 1, 2005 respectively as well as authority to award increases effective December 1, 2006 and December 1, 2007[2]. The Agreement expires November 30, 2008.

This Award is issued in accordance with applicable provisions of Section 14 of the Illinois Public Labor Relations Act.

THE FACTS

The Illinois Fraternal Order of Police Labor Council was certified as Collective Bargaining Representative of all full-time Deputies employed by the

[1] The Employers are hereinafter referred to as the County or Edgar County.

[2] Each Party has expressly waived and agreed not to assert any defense, right or claim that this Arbitrator lacks jurisdiction or authority to make such a retroactive Award.

County of Edgar/Edgar County Sheriff in February 2003. A bargaining demand was sent March 3, 2003 and negotiations commenced thereafter. There were mediation meeting. A major challenge during these discussions has been to find an equitable way to remedy the longstanding internal wage inequity within budget constraints. Presently in Edgar County, a Deputy with more than 20 years service receives the same rate of pay as the most recently hired Officer.

There is no inability to pay contention. This is the initial Contract between the parties.

Among comparables, while Edgar County Officers are relatively well paid during initial years of their employment, that advantage rapidly erodes. Wages of the longer service employees in Edgar County are <u>dramatically</u> below their peers in comparable counties. The disparity at the higher stages of the salary structure is especially meaningful. As of December 2005, there were seven Employees in the Bargaining Unit. <u>Five had more than ten years service</u>. Two had served the County longer than 15 years.

As in most first Contracts, negotiations were necessarily comprehensive and protracted. The parties had resolved a number of important issues before Arbitration. Several Tentative Agreements to be incorporated into this Award include Recognition, Non-Discrimination, No-Strike, Bill of Rights, Discipline and Discharge, Grievance Procedure, Labor Management Conferences, Seniority, Personnel Files, Indemnification, Bulletin Boards, Safety Issues, Savings Clause, Complete Agreement, Substance Abuse Testing, Management Rights, Uniform Allowance, Release Time, Sub-Contracting, Visits by Union Representatives, Sick-Leave Benefits, Bereavement Leave, Holiday Benefits, Leaves of Absence and Resolution of Impasse.

The Union proposes that salary increases be made retroactively for all hours paid and that such salary adjustments and retroactive payments be made no later than 45 days following the date of this Award. The last annual increase in this Unit appears to have become effective December 1, 2001.

<u>COMPARABLES</u>

The Union identifies eight counties generally contiguous to Edgar which they assert to be comparable. The County also agrees that they are comparable and has included them within their comparability group. In view of the mutual agreement, I will refer to them collectively herein as the <u>*basic eight*</u>. In addition the County referenced more distant units which have population numbers similar to Edgar's 19,704 - Hancock (20,121), Warren

(18,735) Mason (16,038) and Ford (14,241). They have placed them in their comparability group of 12 Counties.

The *basic eight* comparables are not only proximate but have generally plus or minus 50% of the Edgar population.[3] They show a median household income range from $40,418 to $52,218 compared to Edgar County's $41,245. Edgar has a median home value of $54,300 placing them in the lower end of that comparability range. The County ranks in the middle of comparables with respect to equalized assessed value (EAV) per capita.

Two of the most important components when comparing comparable counties are the factors of responsibility and workload. In judging the justification for wages and benefits, it is significant that Officers in this Bargaining Unit are responsible for a relatively large area with disproportionately high crime activity. In the 2003 period, Edgar County was ranked high in total County indexed crimes with 188 compared to an average within the comparables of 101. The size of the Edgar County patrol area ranked third in square miles among the Employer's twelve comparables and was first within the *basic eight* with respect to serious crimes[4]. Edgar County had the largest number of such offenses[5] as well as the greatest number of offenses per Officer. Average crimes per Officer in Edgar County are 21 and were higher than in Piatt County where that figure was 16. That average is only 12 in Shelby, Douglas and Crawford Counties.

As mentioned, in 2005 there were seven Officers in the FOP Edgar County Bargaining Unit[6]. The group is relatively small compared with other Departments in the *basic eight* which maintain staffs ranging from seven to eleven. Four counties have more than nine Officers – two of the four employ eleven.

While difficult to compare, especially since there had not been any increases in pay for the members of this Unit in 2002 or 2003, as of 2004, Shelby, in Public Safety expenditures, ranked significantly ahead of all other counties in the Union group and Piatt was slightly ahead of Edgar's $907,725.00. Douglas County had expenditures of $932,551.00.

The Union lists salaries of unionized Deputies in the six counties with their comparable group showing Edgar County Deputies had a relatively high

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[3] The Employer's additional four comparables were also selected based generally on comparable populations although two are certainly well outside the geographical area of Edgar.

[4] Crime figures for the four additional County comparable Counties were not shown.

[5] Moultrie County had only 73 indexed crimes in the same 2003 period.

[6] I am informed that there had been recent cutbacks – one promotion out of the unit and one departure

comparable starting salary in 2003 ($29,078) compared to the average among the six of $24,700. Primarily as a consequence of longevity pay, a benefit not then in the Edgar County compensation package, there is a substantial difference in comparable pay for the more senior Officers.

Edgar County has approximately 90 Employees. The only other represented group is a Unit of Correctional Officers and Dispatchers which consists of nine Employees. The Teamsters are their Bargaining Agent.

NON-ECONOMIC ISSUES

Dues Deduction / Fair Share Clause.

Each of the six represented Units within the *basic eight* comparables have Labor Agreements which contain Dues Deduction and Fair Share language similar to the wording sought here. Looking at the sole organized internal comparable, we find that the Teamster Unit also has such a provision in their Labor Agreement. Since the advent of computerization, administrative costs[7] involved in implementing such a provision are minor. The adoption of this language is not a measurable cost factor. Such language as proposed here is commonly found in Labor Agreements, not only in this vicinity, but throughout Illinois.

The Union's final offer on the dues deduction issue reads:

"Upon receipt of a Written Authorization form, the Employer shall deduct each month the F.O.P. dues in the amount certified by the Labor Council. Any Employee who is not, or chooses not to become a member of the Labor Council will be required to pay a fair share of the cost of Collective bargaining as certified by the Labor Council so long as the same does not exceed the regular monthly dues paid by members. The Employer shall deduct the fair share amount as is certified by the Union so long as the Union has certified that it has notified the impacted Employee of his rights to belong or not belong, has posted an explanation of the fair share fee, and afforded the impacted Employee a reasonable opportunity to object."

"*Such dues and Fair-Share deductions along with a report of from whom they were deducted and in what amounts shall be forwarded to the Labor Council at the address it designates."*

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[7] There are studies showing noticeable lost time costs when dues collection must be made by the bargaining agent.

Award

The final position of the Union, clearly the most reasonable, is awarded. The language set forth in that last offer shall be incorporated into the Labor Contract.

The Maintenance of Standards Clause.

The FOP seeks to have a Maintenance of Standards clause included in the Agreement. Four of the six organized Union comparables do have Contracts with such provisions – Clark, Crawford, Cumberland and Jasper County. Piatt and Shelby do not.

The FOP final proposal on this issue provides that economic benefits and work practices not expressly set forth in the Agreement but currently in effect shall remain in effect for the term of this Agreement. This proposal tracks language in the Cumberland County Contract and differs only slightly from a similar provision captioned *Past Practice* in the F.O.P.'s Clark County Agreement. In the FOP Crawford County Contract, *Maintenance of Standards* wording reads, "*All economic benefits and work practices which are not set forth in the Agreement and are currently in effect shall continue and remain in effect for the term of this Agreement.*" There is similar language in the Jasper County Contract.

It is rare that any effort is made to detail all *practices* in a labor agreement. The Union argues that in a first Agreement, in order that existing practices are not disregarded as a consequence of lack of reference in the Contract, such benefits and practices currently in effect but not mentioned in the new Agreement and not in conflict with the provisions of that Agreement should remain in effect.

The County stresses that, from time-to-time, a new Sheriff, unfamiliar with past practices, may be elected. However, most enterprises experience managerial changes. Furthermore, Article 3, Section 3 of the Teamster's Contract to which the Sheriff is also a Party, has a Maintenance of Standards Clause which does carry forward past practices, benefits and working conditions so long as they are not "*less favorable than those contained in this Agreement.*"[8] .

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[8] That Maintenance of Standards Provision addresses only practices less favorable to the employees. Article 3. Section 3 reads: *"The Employer shall not impose or continue*

I recognize the County's concern that, by inclusion of such a provision in this first Contract, they may be unintentionally agreeing to practices of which they are unaware. However, the work in this unit is regular and reoccurring with a scope not so complex that first line supervision would not be familiar with practices. While the labor organization is recent, Department procedures have been in effect for many years and the parties have engaged in bargaining over a substantial period. Finally the County has the assurance that Arbitrators do not recognize a practice unless there is evidence of consistency, longevity, repetition and an accepted way of handling a situation.

Award

The final position of the Union is adopted. The proposed language reads: *"All economic benefits and practices currently in effect not in conflict with the provisions of this Agreement shall continue and remain in effect."* That language shall be incorporated into the new Labor Agreement.

ECONOMIC ISSUES

Contributory Single Employee Coverage.

Presently single coverage hospitalization insurance is completely non contributory in Edgar County. Employees pay the entire premium if they elect Dependent coverage. In many neighboring counties, as in Edgar County, Officers also pay the full premium for dependent coverage[9].

While in response to significant increases in group hospitalization insurance costs, there has been a trend toward employees paying part of the premium, among comparables identified in this proceeding, the non contributory aspect of single coverage remains common. According to a County Exhibit, only in six of the 12 Counties reviewed do Officers contribute toward single coverage. In the Counties of Ford, Mason, Clark, Crawford, Douglas and Moultrie, Officers do not make any contribution toward Single coverage. In Moultrie County, there is no Union Agreement and the Plan

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in force as to Employees covered by this Agreement during the term hereof, levels of wages, hours, or working conditions less favorable than those contained in this Agreement as negotiated with Local 26."

[9] As in Edgar County, Officers pay 100% of the Family coverage premium in Clark, Crawford, Cumberland, and Jasper counties. However In Shelby County they as required to contribute 50% toward the family coverage premium.

provided without employee contributions appears to be a basic, low cost HMO. There Contributions appear to depend upon the insurance coverage selected. Some Officers are reportedly paying $61.00 a month for coverage under a Health Link Plan which enables them to select their own doctor.

In other Counties, employees are making minimal contributions. Other than comparing the dollars contributed, the Arbitrator cannot make a meaningful comparison without knowing the type of benefits and the cost of the premium.

There is a factual dispute with regard to contributions in Shelby County. Edgar County contends that employee contributions there amount to $15.92 per pay period whereas the FOP, which actually in the Bargaining Agent, represents that <u>no contribution</u> is required for single coverage. The language of Article XXII requires that the County pay the full cost of the employee premium <u>except that</u> each employee will contribute 15.92 per pay period for the one year term which expired in August 2005. Thereafter the Employee must contribute only a share of premium cost increases not to exceed various amounts from 2006 through 2008 ranging from 1.92 per pay period to 2.31 per pay period. We do not know whether that contingency has kicked in.

In Jasper County employees are subject to some <u>contribution</u> toward Single coverage. A<u>s provided in Article XXII</u>, the Employer pays $<u>205.00 monthly</u> toward the cost of the premium for single coverage and the employee pays the balance. <u>We do not know the monthly cost or whether the employee is paying anything presently.</u>

In Piatt County, commencing in July 2005, according to Article 16 of their Labor Agreement, the Employer is to pay 100% of the least costly employee option from then available Health Plan choices. <u>That Employer contributes toward dependent coverage as well, but</u> no more than the cost of single coverage. There are various other nuances. <u>The FOP asserts that the employees have no present cost for single coverage.</u>

In Hancock County, as stated in Article XXIV of their Agreement, the Employer pays $90.00 per month toward the employee coverage premium and any excess is shared on an equal basis. Again we do not know what the employee is paying, if anything.

In Warren County, Article XIX of their Labor Agreement states that the Employers pay 100% of premium costs for the Employee <u>through June 30, 2005</u> and any increases thereafter are to be split with the employee paying 50% not to exceed 10.00 per pay period per year. Employees are reported to be presently paying at that $10.00 maximum.

In these negotiations, the Employer seeks to have employees contribute toward single coverage. Edgar County proposes that the employee contribution should be 10% of the single coverage premium with a $400.00 per year cap. That premium is currently $391.00 a month and, under the County proposal, employee contributions would start at $39.10 a month subject to the ceiling provided by the cap. As seen, under that proposal, the employee contribution would be higher than in most comparative Counties as well as greater than that presently being paid by other employees in Edgar County.

The FOP points out that Edgar County personnel, including those in the Teamster Unit, currently contribute but $5.00 each pay period toward the single coverage premium. The County responds that they expect to be seeking an increase in single coverage contributions when the IBT Contract comes up for negotiations later this year and that they would institute a contribution program at that level for other County employees.

The Union final proposal would make single coverage contributory on a more limited basis. They propose that the employee would pay $5.00 per pay period and, since there are 26 pay periods, there would be a $130.00 a year maximum contribution in contrast to the Employer proposed cap of $400.00. The FOP final offer on insurance reads the Employer shall, *"Maintain substantially the same insurance benefits, deductibles, co-pays, and coverage currently in effect. The Employer shall pay the full cost of Employee Single coverage except Employees shall be required to pay $5.00 per pay period toward the cost of Single coverage. Such sum to be deducted from payroll on a pre-tax basis. Employees shall pay 100% of the cost of dependent coverage*."

In view of the dominant trend toward employee participation in the payment of insurance premium costs and recognizing the substantial cost of the new longevity benefit, a change in the long practice of providing non contributory single coverage is warranted. I note that, while dependent coverage remains fully employee paid in Edgar County, some Counties among the comparables do contribute part of that premium.

Considering all these circumstances, especially since (1) like longevity, this is a breakthrough issue, a departure from the long practice of providing single coverage on a non contributory basis, (2) the employer does not pay any portion of the dependent coverage premium in this Unit, (3) at least half the comparables continue to provide fully paid single coverage and (4) the fact that most Counties that do require employee contributions toward single coverage require an employee payment less than as that sought here, I find that the more moderate move toward payment of the single coverage premium is appropriate.

Award

The FOP final offer is awarded on this Issue. Contributions shall be made at the limits identified in their final offer and become effective prospectively within 60 days.

Vacations.

The Union's final offer on vacation is to maintain the status quo. Current practice in this Unit, according to the evidence and as stated in the Union final offer is:

As of December 1st of each year, employees shall receive vacation benefits as follows:

After 6 months: 5 days vacation.

After 2 years: 10 days vacation

Each completed year thereafter, one additional day to a maximum of twenty days of vacation.

Vacations shall be selected and taken each year based on seniority, consistent with the current practice.

Under current practice employees reach 15 days (three weeks) with seven years service and 20 days (4 weeks) with 12 years service. The County confirms that while such a progression is current practice, they would eliminate the yearly accrual structure and provide periodic vacation increases in 5 year increments. There would be set incremental Steps. The single additional day each year progression would be eliminated under the Edgar County final offer.

The Edgar Teamster Unit has a different vacation benefit than presently in effect in this Unit. There the benefit is five working days for employees with at least six months of service, 10 days for those with at least two years of service and "*one additional day per year for all employees having at least five years of service not to exceed twenty working days.*" Under that language, employees would reach the 20 day top rate at 15 years of service.

Comparing vacations benefits in this Edgar County Unit with those in the ***basic eight*** Counties which have Labor Agreements, we find a wide variation in benefits. However, an Officer in this Edgar County Unit receives vacation benefits generally equivalent to the average vacation benefit paid in the other represented comparables up to the point of attaining 20 vacation days. For example, after ten years they receive 18 days compared to the average vacation days in that comparability group of 17. They receive at least one day more than the average up to 20 years of service when, at that point, because of the 20 day ceiling, there is an average of 21 days vacation (a range from 25 to 20) in the Unionized comparables against 20 vacation days in Edgar County. At 25 years service, the differential between Edgar County and the *average* becomes two vacation days each year.

It is uncommon to find a progressive vacation benefit with incremental increases of a day each year that extends throughout the vacation schedule. The County proposes to restructure that Vacation Schedule and make it comparable, in so far as structure, with schedules in effect elsewhere. They propose a Vacation Schedule with deferred step increases recognizing that at Edgar County Employees get five days after six months service and ten days after two years. There would be a transition period, during which employees should retain their existing vacation entitlement until they reach the next proposed Step. Commencing with the first year of the next Contract, they maintain that Officers would begin accruing additional vacation time at five-year intervals under the County proposal. The accrual would be eliminated and there would be uniform benefits within at least four steps.

To reiterate, presently Officers in this Unit reach the two-week or ten day vacation level at two years of service and accrue an additional vacation day each year thereafter. They have 15 days or three weeks of vacation at seven years and 20 days of vacation at 12 years. The schedule tops out at that point.

There was some indication in the power point presentation that the Employer had initially proposed a change in qualifying years required to attain a three week (15 days) vacation and the maximum four week (20 day) vacation). That position was not made part of the final offer on this issue.

Among the twelve comparables in the County group, the basic eight and the four other suggested Counties, employees in nine attain their three week vacations earlier than at the tenth year initially proposed for Edgar County. While Edgar County had proposed that Officers will receive four week vacation at 15 years in their presentation, Officers in six other municipalities become eligible for the 4^{th} week earlier than that proposal. However, two Counties do not provide the fourth week until the 18^{th} and/or 20^{th} years of service.

I note that five counties in the Employer Comparable Group offer a five-week benefit, and one, Hancock County, has a six-week vacation benefit after 25 years of service.

To reiterate, under the FOP proposal to maintain existing benefits, <u>the additional days of vacation commence</u> to accrue after two years of service. The Union is seeking status quo in this matter and, as they put it, *"A confirmation of current vacation benefits to be incorporated into the contract."*

The County's principal objective seems to be to bring the vacation structure into line with that in comparable counties. As mentioned they would change the progression system to fixed periods of incremental adjustments. During the Hearing they explained that the Officers should be frozen, "*Where they are <u>until they hit the next increment</u> so that, at most, there will different scales for Employees for a total of four years.*" Following such a procedure, according to Edgar County, the new system of vacation calculation would go into full effect during the next Contract and, at that time, everyone would commencing accruing additional vacation time at five-year intervals. There would be uniformity within the Bargaining Unit at each of the four steps. It was stated that Edgar County does not contest the " *total amount of vacation. ..it's this accrual change that we are at odds about."* There proposal would, however, reduce paid vacation time.

An analysis of the effect on the vacation schedule, even if the points at which the third and fourth week are reached were maintained – 3 weeks for 7 years service and 4 weeks for 12 years service – employees proceeding through the schedule with less than 7 years service would, as a consequence of losing the yearly accrual and deferring those yearly increases to the next incremental adjustment point, suffer an actual reduction in vacation dollars of a little less than 10%. As seen there is no basis for a reduction in vacation benefits here.

<u>Award</u>

I find the Union's final position on this issue to be the most reasonable. The vacation benefit as presently structured shall remain in effect.

<u>Personal Leave Benefits</u>.

Among the comparables, Edgar County alone provides five Personal Leave Days. The jurisdictions in the *basic eight* offer <u>three personal leave days</u> except in Clark County where Employees may accrue an additional day <u>for each six months</u> that they do not use a Personal Leave day. It appears employees in that Unit could accrue 5 Personal Leave Days each year.

As with vacations, the Union seeks to continue the benefit as presently provided. They stated in their final offer that: *"current personal leave benefits are accrued at the rate of one-half day per month to a maximum of five personal leave days per year which may be taken on dates of the employee'* *choosing. Personal leave may be taken in one-half day increments. Personal leave days not taken during the calendar year shall not be carried over to the next calendar year but shall be paid on December 1st of each year."* There was no contention that this was an inaccurate statement.

Edgar County stresses that in the past they had treated additional Personal Leave days as a trade off for the lack of a longevity benefit. Yet the Teamster Unit receives both longevity as well as the same five Personal Days per year benefit[10]. There was no bargaining history reflected in contracts with that Labor Organization to support the *trade off* contention. Furthermore, it is noteworthy that all employees in this Unit are granted the same number of personal days irrespective of their length of service. I do not see any connection between the personal leave benefit and the lack of a longevity benefit in this Unit.

The County understandably asks that, recognizing the first year cost involved in the institution of longevity, that there be a reduction of a single Personal Leave day. They stress that Edgar County Deputies would still have more Personal Leave days than Officers in any comparable.[11] Edgar County maintains that it would be fair to at least partially offset the increased costs which accompany the new Longevity benefit with both a reduction in the number of Personal Days as well as an increase in insurance contributions.

The Arbitrator has considered the increased cost consideration when evaluating the employee premium contribution issues. However, with respect to a request to cut back a personal leave day, I observe that the County is already slightly behind other Counties in vacation days, especially for longer service personnel. Of the 12 County Comparables, five provide a benefit longer than 4 weeks[12] and, in 3 other Counties, Officers reach the 4 week level earlier than in Edgar. Vacations, in that it is also pay for time not worked, is often addressed in negotiations as a benefit similar to a personal day.

Award

I do not find any justification for eliminating the long time 5 day Personal Days benefit. The language of the Union's final offer set forth above shall be incorporated into the Contract.

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[10] That Agreement expires in 2006.

[11] Ford County provides only one day per year. Shelby County does not have any Personal Leave benefit but employees can accumulate up to 250 days of personal leave as against the 120 day limit in Edgar. Officers in **Mason, Warren and Moultrie counties accrue but two Personal Days per year and have lower limits on sick time accumulation than Edgar.**

[12] This is a significant benefit in groups where long service is held by a large percent of the Unit as here.

Longevity

Employees in this Bargaining Unit do not presently receive a Longevity benefit. As a consequence, every employee is paid at the same wage rate irrespective of experience and length of service differences. Longevity increases are often considered a means of reducing costly turnover.[13] They bring fairness into the salary structure.

As stated, the current salary schedule has unique rate compression problems. While such a schedule is often adopted when a Employing Unit is created and all employees have about the same service and while it is sometimes perpetuated in small Units, the Edgar County structure presently fails to recognize differences in skill and ability which have developed over the past 20 years. Base rates upon hire are comparatively favorable but due to the failure to have provided higher rates for longer service either through progressive Step increases within the salary structure or by means of a longevity benefit, <u>there are serious compensation inequities</u>. There are inequities not only <u>within the salary structure</u> but from a comparative standpoint among other Departments.

There is a classic pay compression problem. All employees receive the same rate regardless of length of service. Such a condition discourages incentive and creates morale attitudes. Long term employee sees little of no difference between his/her pay and that of the new hire. One of the remedies for the problem of pay compression is to institute inequity adjustments based upon service or some other consideration and, once different wage levels are attained, to provide percentage increases in wages from time to time. As seen, the parties have addressed here the compression problem through the institution of the longevity benefit. The issue is not whether but how much the salary structure should be adjusted.

There is clearly a compensation disparity reflected in the current wage structure. This Arbitrator does not recall a similar situation. There is none shown in any of the comparables. Recognizing such an anomaly, both Union and County have agreed to bring the salary structure into line with those, not only in the vicinity of Edgar County, but throughout the State.

The County provides longevity for its employees in the Teamsters Unit. There, <u>as they propose here</u>, the benefit is provided in dollars and does not **go into** the rates. The benefit there reads: “Employees having attained <u>ten years</u>

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[13] When a single employee is replaced, costs in recruiting and training a new hire are estimated to be equivalent to a year’s salary. The loss of an experienced Officer would be especially significant in Edgar County.

of service shall receive an additional eight hours straight time compensation annually".....". *Employees who have attained thirteen years of service shall receive an additional eight hours straight time compensation annually for each year of service thereafter, going down to twelve years the second and eleven years the third year of the Agreement."*

There are meaningful differences in the calculation of the longevity benefit as expressed in the final Offers of each Party. The County would provide longevity increases in fixed dollar amounts. The Union proposes percentage raises. In recognition of the significant cost factor of this new benefit, each party agrees that the effective date of the new benefit shall be the third year of this Agreement, December 1, 2005.

The Union proposes that in that third year of the Agreement, effective 12/1/2005, based upon their length of full-time service with Edgar County Sheriff, there would be a schedule of benefits where Employees would, receive a 3% Longevity benefit in addition to their wages after completion of five years service, after completion of 10 years service an additional 3% and thereafter additional 2 1/2% longevity payments following completion of 15, 20, 25, and 30 years service respectively. The Union proposal is at higher percentage calculated based upon the rate in effect at the time of the longevity increases.

The Employer would pay longevity in fixed dollar amounts without reference to the changes in the salary schedule. They spelled out their final position in their presentation during the Interest Arbitration Hearing[14]. There would be an initial longevity amount of $640.00 longevity (which they calculate to be 2% based upon current rates) after 5 years of employment; longevity would become $1200.00 (which, they note is a $560 per year longevity increase) after 10 years; would become $1680.00 after 15 years, $2182.25 after 20 years; $2692.03 after 25 years and would reach $3209.46 after 30 years. These benefit amount would be paid in addition to base pay. The percentages of the increases are significantly smaller than the longevity increases proposed by the FOP which are calculated as a percentage of an Officers existing wage level.

As seen, under each proposal, longevity increases would be triggered at the same service points; 5 years, 10 years, 15 years, 20 years, 25 years and 30 years.

Under both Longevity final offers, Officers would reach top salary in the Unit at 30 years. Among other unionized groups presently with a Longevity benefit, all reach a top salary with shorter service - before 30 years - and each has the benefit of a greater number of Longevity steps than proposed by either Party here. For example Shelby County has 20 steps – a Longevity step each year through the 19th year of service. Clark County Deputies receive a fixed $.25 per hour for every three years of service without any cap; Piatt County has 12 longevity Step increases. Crawford County has 15 Steps.

Award

Considering all relevant factors, the FOP proposal on the Longevity Benefit issue is the most reasonable final position. There are several reasons for selection of the FOP final offer but most important is that the percentage approach produces greater dollars at each Step and best precludes the development of wage compression in the future. The Union final Offer brings the more senior Officers closer to salaries paid their peers in comparable Counties.

With retroactive application, senior Officers will receive immediate and substantial wage increases. The more senior will initially receive the percentage increases provided by more than one of the longevity Steps – Steps they had already passed. The benefit will have widespread effect. Almost all the Officers in the Unit will receive longevity increases during the term of this Agreement. Such increases will tend to bring their wage levels into parity with those of Officers with similar service in comparable Counties. Much of those comparability problems are relieved by the adoption of this longevity benefit.

This is a breakthrough benefit. The adoption of the FOP proposal on this issue will give Officers with five or more years of service meaningful wage increases while, at the same time, remedy to a large extent the long time disparity between their wages and rates paid their peers with similar service. As a new benefit, Longevity is to become effective the third year of the Agreement, December 1, 2005. Back pay shall be made within 45 days.

The General Wage Increase

Recognizing the period of time that has elapsed since the Certification of Representation and the fact that there has not been any pay raise since 2001 (there was no increase in this Unit December 1, 2002), general wage increases provided for this first Contract shall be made retroactive to December 1, 2003, December 1, 2004 and December 1, 2005. The period that wages have not been increased and the deferred payment is offset to a large extent here through the number of additional dollars in compensation because of the combination of retroactive wage increases and the introduction of the longevity benefit.

Each final general wage increase proposal has been presented on a package basis with percentage increases each year of the Agreement. Despite the fact that the County's offer is slightly frontloaded, the Union package, over the term of the Agreement, produces somewhat more dollars even without considering the effect of the longevity benefit. For the initial two years, effective December 1, 2003 and December 1, 2004, Edgar County is offering 3.10% and 3.9% rate increases while the Union seeks 3% and 3.5%. On subsequent anniversary dates - December 1, 2005, December 1, 2006 and December 1, 2007 - the Employer offers 3%, 3%, and 3% while the FOP seeks that 3.5% increases become effective on those dates.

Looking at the current situation before adjustments and using 2005 comparative rates, we see a start rate for Edgar County Employees in this Unit of $29,078.00, $2374.00 higher than in the basic eight Counties. After three years, because all employee rates are tied to the hire pay, average salaries among the comparables not only catch up but become significantly higher than those paid Edgar Officers. It does not take long. For example, in 2005 Edgar Officers after three years were receiving $1,562.00 less than their counterparts in comparable Counties; $2,544.00 less if they had five years service; $4,561.00 less with ten years service and $5,843.00 less with 15 years service. With 20 years service, while Edgar Employees continued to be paid at the $29,078.00 start rate, Officers serving in comparable Counties had an average salary of $36,337.00. These dollar differences were without justification. That disparity for those with longer service was particularly meaningful in this Unit since, as of December 2005, the force was primarily composed of longer service personnel – five of the seven listed in a Union Exhibit had more than 10 years of service.

While the County proposal on longevity has been rejected for the reasons explained above, had it been made effective along with the County proposal for the general increase, in 2005 Bargaining Unit Employees with 10 years service would have been paid $32,974 or $665.00 less than the average Officer working for the comparables. At 15 years service, again using 2005 averages, Officers in Edgar would fall $1,467.00 below the average of their peers in the comparables. An Officer with 20 years service would be paid $2380.00 less than the average wage of similarly situated Officers[15].

[15] It also appears from data provided the Arbitrator at the Hearing that there will be two Officers with 15 or more years of service as of December 2006. Two additional Officers will reach that point by December 2007. While there may have been turnover

When the awarded FOP proposal on longevity is put into effect together with the increased rates under the County final general wage increase offer, we find pay differentials narrow considerably in 2006 and 2007. The larger longevity increases in 2005 and 2007 are of significance based of the percentage calculation against the longevity proposals of the County for those years. There will be a positive move toward parity as a consequence of the adoption of the new Longevity benefit in combination with the general wage increases offered by the County while at the same time, not aggravating the disparity during the first few years of employment as much as were the FOP wage increase proposal adopted.

Award

Considering all factors including the lengths of service of employees in this Unit and the interrelationship of the general increases to the increases in longevity under the Union proposal, I find the most reasonable final offer on the general increases in wages to be that of the County[16]. To reiterate, the combination of the annual wage increases at the percentages proposed by the County together with the percentage longevity increases awarded above will, for Officers in this Unit, work toward parity with wages paid employees in comparable units while, within the limitations of these two Offers, address in a small way the continuing comparative imbalance in starting rates[17]

DETERMINATION

Having considered the evidence in accordance with applicable provisions of statutory criteria, I have made the Awards set forth above on each of the seven issues before me. The Collective Bargaining Agreement shall be modified to incorporate these determinations and all other contract language previously agreed upon by the parties.

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changes thereafter, the Arbitrator must make the determinations here based upon the evidence provided during the Arbitration Hearing.

[16] While percentage increases under the County Final Offer (without allowing for compounding) are two percent less over the period of the Agreement than the increases proposed by the FOP, there will be a rebalancing of compensation at the higher levels of the salary structure through the longevity adjustments and, at the initial steps of the salary schedule, Unit salaries are already favorably positioned.

[17] As of 2005 we see that, whatever final offer on wages is considered, start rates in this Unit would be greater than $5,000 over hire rates in the basic eight comparables. That, apparently, will be a concern for another negotiation. Neither party addressed it in their final proposals. Prior to the increases here, the start rates had been only $2374.00 ahead of the comparables. As seen the FOP wage proposal would have increased the start rates $310.00 more as of 2005 than has the County last offer with greater increase in 2006 and 2007.

James R. Cox
Arbitrator

Issued this 15th day of March 2006