ILLINOIS LABOR RELATIONS BOARD

BEFORE

ARBITRATOR BARRY E. SIMON

In the Matter of the Interest Arbitration Between	)	
	)	
MATTOON FIRE FIGHTERS ASSOCIATION, LOCAL 691, IAFF, AFL-CIO,	)	
	)	
Union,	)	ILRB Case No. S-MA-22-271
	)	FMCS Case No. 220810-08334
and	)	
	)	
CITY OF MATTOON, ILLINOIS,	)	
	)	
Employer.	)	

OPINION AND AWARD

The above identified matter was heard before the undersigned Arbitrator, selected by the parties through the Federal Mediation and Conciliation Service, on November 16, 2022 in the City Hall, Mattoon, Illinois. Representing the Mattoon Fire Fighters Association, hereinafter referred to as "the Union," was:

Matthew J. Pierce, Esq.
ASHER, GITTLER AND D'ALBA, LTD.
Chicago, Illinois

Representing the City of Mattoon, hereinafter referred to as "the City" or "the Employer," were:

Julie A. Proscia, Esq.
Steven W. Jados, Esq.
AMUNDSEN DAVIS
St. Charles, Illinois

Sworn testimony was given before the Arbitrator, and recorded and transcribed by a Certified Shorthand Reporter. In lieu of closing arguments, the parties filed post-hearing briefs that were received by the Arbitrator on January 30, 2023, at which time the record was closed.

Background: The City of Mattoon, located in Coles County in central Illinois, has a population of 16,870 according to the 2020 Census. Three unions represent the employees of the City. In addition to the Mattoon Fire Fighters Association, which represents all members of the Fire Department, other than the Fire Chief and Assistant Chief, all members of the Police Department, other than the Police Chief and Deputy Police Chief, are in a bargaining unit represented by the Police Benevolent Protective Association, Unit #35 (PBPA), and Public Works and certain other employees are in a bargaining unit represented by the American Federation of State, County and Municipal Employees (AFSCME).

The Fire Department responds from two fire stations and has a manning requirement of thirty (30) firefighters. In addition to fire response services utilizing one engine, one ladder truck that has pumping capability, and one heavy rescue truck, the Department provides emergency medical services for the community with an ambulance.

Although the parties' most recent collective bargaining agreement covered the period from May 1, 2018 through April 30, 2022, it was not until January 20, 2022 that the agreement was ratified and executed. The contract settlement did not take place until disputes involving staffing, engineer vacancies, and ambulance service were resolved through arbitration and litigation. Once the contract was executed, the parties began bargaining for a successor agreement. A joint request

for mediation was submitted on February 22, 2022, and the Union filed a demand for interest arbitration with the Illinois Labor Relations Board (ILRB) on August 9, 2022. The parties notified the Arbitrator of his selection on September 2, 2022. At the hearing, the parties agreed to waive the requirement for a three arbitrator panel as well as the statutory time limits. [Tr. 151]

The parties have identified six issues that have been unresolved, with tentative agreement having been reached with respect to other sections of the collective bargaining agreement. The parties have agreed that the tentative agreements be incorporated into the final contract awarded by the Arbitrator. The unresolved issues to be decided by the Arbitrator are as follows:

1) External comparable communities
2) Duration/Length of contract
3) Wages
4) Holidays
5) Insurance
6) Staffing for Engineer Position

The Standards: This arbitration is governed by the Illinois Public Labor Relations Act (IPLRA), 5 ILCS 315/1 *et seq.*, which sets forth the factors to be considered by the Arbitrator with respect to each economic issue in dispute. These factors are:

1) The lawful authority of the employer.

2) Stipulations of the parties.

3) The interests and welfare of the public and the financial ability of the unit of government to meet these 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.[1]

The listing of these factors does not require the Arbitrator to apply all of them. Rather, only those factors that the Arbitrator determines to be applicable are to be applied.[2] Furthermore, it is within the Arbitrator's discretion as to the relative importance of the factors.[3] When the issues are economic in nature, the Arbitrator is required to "adopt the last offer of settlement which, in the opinion of the [Arbitrator], more nearly complies with the applicable factors prescribed in subsection (h)."[4] With respect to burden of proof, when both parties seek to change the status quo, each party bears the burden of showing that its position is the more reasonable.[5] When only one party seeks a

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[1]IPLRA, Section 14(h), 5 ILCS 315/14(h).

[2]*State of Illinois and AFSCME Council 31*, S-MA-22-121 (Arb. Edwin H. Benn, December 29, 2021).

[3]*City of Paris, Illinois and Policemen's Benevolent Labor Committee*, S-MA-17-269 (Arb. Brian Clauss, April 26, 2019).

[4]IPLRA, Section 14(g), 5 ILCS 315/14(g).

[5]*State of Illinois, supra.*

change to the status quo, that party must demonstrate that its proposal is more reasonable and appropriate.[6] An even greater burden is placed upon a party seeking a substantial departure from the status quo, as explained by Arbitrator Harvey A. Nathan in *Sheriff of Will County and AFSCME Council 31, Local 2961*, S-MA-88-009 (August 17, 1988).

> The well-accepted standard in interest arbitration when one party seeks to implement entirely new benefits or procedures (as opposed to merely increasing or decreasing existing benefits) or to markedly change the product of previous negotiations, is to place the onus on the party seeking the change.
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> * * *
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> In changing the benefit balance or in altering a previously negotiated labor relations scheme, the neutral must consider the factors which went into that previously agreed to contract. The parties may have traded dearly to secure the benefit now being challenged. It may have been part of a larger bargain or an integral portion of an overall settlement scheme. The arbitrator must examine how the old system operated, whether there were administrative problems, whether inequities were created, or unforeseen dilemmas. In each instance, the burden is on the party seeking the change to demonstrate, at a minimum: (1) that the old system or procedure has not worked as anticipated when originally agreed to or (2) that the existing system or procedure has created operational hardships for the employer (or equitable or due process problems for the union) and (3) that the party seeking to maintain the status quo has resisted attempts at the bargaining table to address these problems. Without first examining these threshold questions, the arbitrator should not consider whether the proposal is justified based upon other statutory criteria. These threshold requirements are necessary in order to encourage collective bargaining. Parties cannot avoid the hard issues at the bargaining table in the hope that an arbitrator will obtain for them what they could never negotiate themselves.

DISCUSSION

External Comparables: The Union has proposed the following communities as external comparables:

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[6]*City of Loves Park, Illinois and Illinois Fraternal Order of Police Labor Council*, S-MA-04-175 (Arb. Barry E. Simon, June 29, 2006).

Centralia
Charleston
East Moline
Edwardsville
Mt. Vernon
Ottawa

The City contends the external comparables are not relevant, and submits that a history of parity among its three bargaining units mandates consideration of only internal comparables. Nevertheless, it stipulates to the appropriateness of Charleston, and proposes the following additional communities:

Dixon
Edwardsville
Ottawa

Inasmuch as the parties have never engaged in interest arbitration jointly, there is no prior set of external comparables.[7] Because Charleston, Edwardsville and Ottawa are offered by both parties, the Arbitrator accepts them as comparable communities. The inclusion of Centralia, East Moline, Mt. Vernon, and/or Dixon must be analyzed by the Arbitrator. Of these four, only Mt. Vernon was among the communities agreed to be comparable in the case before Arbitrator Meyers. There is, therefore, a presumption favoring the inclusion of Mt. Vernon as a comparable community.

In *City of Loves Park, supra*, this Arbitrator wrote, "The purpose of using comparable communities is to look at wages, hours and conditions of employment in communities somewhat similar to the community that is the subject of the arbitration. If arbitrators were to consider only

[7]The City and the Policemen's Benevolent Labor Committee engaged in interest arbitration in 2015 before Arbitrator Peter R. Meyers (S-MA-14-298). In that case, the parties agreed upon seven comparable communities, namely Charleston, Effingham, Jacksonville, Lincoln, Mt. Vernon, Rantoul, and Taylorville.

communities that had comparable wages, hours and conditions of employment, there would be no point in making such an analysis." Instead, we consider a number of variables in assessing comparability. Following the Award of Arbitrator Marvin Hill in *Tri-State Fire Protection District*, S-MA-13-299 (July 26, 2014), the Union compared all of the communities by population, land area, total bargaining unit members/department members, equalized assessed valuation, sales tax revenue, total revenue, total expenses, fund balance, per capita income, median household income, and median home value. It then compared each of these factors with the Mattoon data, and identified where the data varied from Mattoon by a factor of fifty percent (50%) or less. Of the seven communities analyzed, only Edwardsville had more than two of the eleven factors that were beyond the range of plus or minus fifty percent.

In addition to its contention that the Arbitrator should consider comparability only to its two other bargaining units, the City maintains that external comparability is not appropriate for other reasons. In this regard, the City cites Arbitrator Edwin H. Benn's Award in *State of Illinois and AFSCME Council 31, supra*. It submits that it is impossible to look at another municipality's collective bargaining agreement without taking into consideration the various factors that were present at the bargaining table that are not reflected in the data evaluated by the Union. These factors, according to the City, might include a history of revenue changes, population changes and political decisions. It says the data do not necessarily reflect the municipality's firefighers retention and recruiting problems. It additionally submits that wage rates as shown in the collective bargaining agreement might not reflect actual income due to factors such as opportunities for overtime or temporary higher rated assignments. Finally, the City has objected to the communities cited by the

Union because they do not maintain ambulance services as part of their fire departments, while Mattoon does. The presence of the ambulance service, according to the City, is fundamental to staffing, financial and operational decisions in the Fire Department. Noting that the Union has engaged in years of litigation to require the reinstatement of an ambulance service, the City argues the Union cannot now compare Mattoon with municipalities without ambulance services.

Notwithstanding its objection to the consideration of external comparables, the City questions the Union's criteria for determining comparability based upon whether the population or other factors vary from Mattoon's by a factor of fifty percent. It submits that a city with 50% or 150% of the population, area, number of firefighters, or tax base of Mattoon cannot be considered to be comparable. In the absence of academic or expert support, the City contends there is no reasonable basis for the Union's position.

The Union disagrees with the City's contention that Dixon is a comparable community. Its objection to Dixon is that it is located north of Interstate 80, which the Union says divides northern and downstate Illinois. Although it acknowledges that Dixon is roughly the same distance from Mattoon as is East Moline, it explains that East Moline and Ottawa both straddle Interstate 80. Dixon, says the Union, is roughly at the same latitude as the Chicago Loop, distinguishing it from downstate communities. The Union says the City's rationale for including Dixon – that it provides ambulance service – is not a relevant consideration.

The Arbitrator does not find either the ambulance service or Interstate 80 criteria to be significant relative to comparability. One of the reasons arbitrators consider external comparability is the competitiveness of the labor market. A fire department that is paying its employees signifi-

cantly less than other similar communities will have a harder time retaining and recruiting firefighters. Among the factors that an employee might have to consider when evaluating whether or not to relocate are home values and the distance of the move. With respect to the latter, Dixon is not the furthest community of all of the proposed comparables from Mattoon. It is a few miles closer to Mattoon than East Moline is. While the definition of "downstate Illinois" is not precise, it is often considered that any part of Illinois outside of the five or six counties[8] comprising the Chicago area is downstate. This definition would include Dixon, located in Lee County as being "downstate."

The City has not made a case for why a community without an ambulance service could not be considered comparable. The factors for evaluating comparability as delineated by the Union could conceivably take into account whether an ambulance service is provided. Because the City is not claiming an inability to pay, the cost of providing this service would not be a relevant factor.

Because the Arbitrator is not satisfied that any of the communities proposed lacks comparability with Mattoon, he accepts them all as external comparables, in the event external comparability becomes relevant.

Contract Duration and Wages: The parties are in agreement in their final proposals with respect to wage increases to be applied during the first year of the contract (2.75%) and the second year of the contract (2.5%). Their final proposals vary, however, in that the Union's final proposal is for a four-year contract with 4% increases in each of the last two years, while the City's final proposal is for only a two-year contract. The parties have linked these two issues, particularly

[8]The definitions vary, but typically include Cook, Will, DuPage, Kane, Lake, and McHenry Counties.

because the Union has proposed wage increases for a third and fourth year, while the City has proposed wage increases based upon only a two year contract. Both parties have made it clear that the Arbitrator's choice is between the City's proposal for a two-year contract with associated annual wage increases and the Union's proposal for a four-year contract with associated annual wage increases. [Tr. 61]

The Union submits that a four-year contract is consistent with the parties' recent history, as well as both internal and external comparables. In addition, it says this would give the parties a much needed respite after more than five years of non-stop bargaining and litigation. The Union cites *Village of Skokie and Skokie Firefighters*, S-MA-16-150 (March 10, 2017), wherein Arbitrator Martin H. Malin awarded the Village's proposal for a four-year contract over the Union's for three years, noting that labor relations stability and the need for a breather counsel for a longer contract in light of the parties' history of signing contracts of the eve of bargaining for the successor agreement.[9] It notes that a two-year contact, as proposed by the City, would expire in April 2024, approximately one year from now. It argues that changing to a two-year agreement would constitute a breakthrough for the City, which it says has not been justified by a showing of a broken system or an offering of a *quid pro quo*.

Insisting that the status quo is four-year contracts, the Union says the parties negotiated four-year contracts for 2006-2010, 2014-2018, and 2018-2022. It says the 2006-2010 contract was extended for one year, and was then followed by a three-year contract covering 2011-2014. Before

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[9]The Union cites similar decisions by Arbitrator Meyers in *IAFF Local 429 and City of Danville*, S-MA-14-338 (March 6, 2017), Arbitrators Matthew W. Finkin in *City of Effingham and FOP*, S-MA-99-133 (February 12, 2001), and Robert Perkovich in *City of North Chicago and FOP*, S-MA-96-62 (April 30, 1997).

2006, the Union notes there were two consecutive three-year contracts. The Union cites Arbitrator Hill's Award in *Tri-State Fire Protection District, supra*, which awarded a contract duration consistent with recent bargain history, as well as Arbitrator Benn's Award in *City of Streator and FOP*,[10] finding that the termination of the past five contracts at the end of the city's fiscal year constituted a status quo. Arguing that the evidence of record does not show the parties have ever entered into a two-year contract, the Union asks that its proposal for the status quo be favored over the City's breakthrough proposal.

The Union also asserts a four-year contract would be comparable to the City's agreements with police officers. It notes that the most recent contract with PBPA Unit #35 was a four-year contract effective 2020-2024. It cites the history of police contracts showing three-year contracts effective 2017-2020 and 2014-2017, preceded by four-year contracts for 2010-2014 and 2006-2010. As with the Fire Department, the Union says there is no evidence of the City ever entering into a two-year contract with PBPA. With respect to public works employees represented by AFSCME Local No. 3821, the Union notes that is not a protective services unit and therefore should not be considered to be comparable to the Fire Department.

The Union additionally argues a four-year contract is more common among other fire departments. Of the comparable communities, it says the most recent agreements in Charleston, Centralia, East Moline and Mt. Vernon are all for four years, while Edwardsville and Ottawa currently have three-year contracts. None, says the Union, has a two-year contract.

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[10]S-MA-17-142 (November 26, 2018).

In *City of Streator, supra*, the Union says Arbitrator Benn held that a change from an expiration date corresponding to the end of the city's fiscal year, to three months prior to the end of the fiscal year, was a breakthrough that required the employer to show that the existing system is broken in order to change the status quo. In this case, the Union denies the City has met its burden sufficiently to warrant the change. It contends the City's effort to align the expiration of all three of its collective bargaining agreements is a solution for a problem that does not exist. Further, the Union states the City has not offered a *quid pro quo* for this change, explaining that the City's proposals increase bargaining unit members' health insurance costs, reduce Engineer staffing, and increase wages by only 2.75% and 2.5%, which has already been included in the current police contract.

The Union asserts the City could have negotiated the prior collective bargaining agreement to be effective from 2018 through 2024, and have it expire in April 2024 to coincide with both the PBPA and AFSCME contracts that had already been executed, particular since the Fire Department contract was not executed until January 2022. On the other hand, the Union suggests the City could have negotiated shorter contracts with the other two unions in order to have them expire the same time as the firefighters'. Because only the firefighters' contracts have consistently been for four years since 2006, the Union says it would not be reasonable to expect the Union to be the party to alter its long-term bargaining history just to align with the other units.

Because the Arbitrator should grant the Union's proposal for a four-year contract, the Union submits he should also grant the Union's wage proposal inasmuch as the City has not made an offer on wages for that length of the contract. It contends the Arbitrator cannot "mix and match" the

parties' proposals on duration and wages, and must grant the wage proposal that corresponds to the contract duration. It cites *Tri-State Fire Protection District, supra*, where the union had proposed a four-year contract with a corresponding wage proposal and the employer proposed a six-year contract with a corresponding wage proposal. In that case, it says Arbitrator Hill concluded the four-year contract was the more reasonable one, and granted the Union's wage proposal because it was the only one for four years, writing, "It follows that adoption of the Union's four-year contract term requires the Arbitrator adopt the Union's corresponding four-year wage offer, since he may not 'lop off' the last two years of the District's six year wage proposal."

The Union argues that its wage proposal is justified by the consumer price index (CPI) and the rate of inflation. It says the CPI, as reported by the Bureau of Labor Statistics in May 2022, had increased 8.6% over a 12-month period, the largest yearly increase since the period ending December 1981. The Union cites this Arbitrator's holding in *City of Rock Falls and FOP*, S-MA-10-238 (May 31, 2012), with regard to the appropriateness of using cost of living data from the year prior to the contract. It notes the CPI reported in October 2022 showed an increase of 7.7% over the previous twelve months. This, says the Union, reflects an increase of 10.8% from May 2021 through October 2022. The Union submits the data show real wages decreasing at a significant rate, which should be minimized by awarding a higher percentage wage increase. It notes the City's proposal of 5.25% over two years would be less than half of the cost of living increase.

Among the comparable communities offered by the Union, it notes that three cover years beyond 2024. It says Centralia, with a four-year contract ending in 2026, has wage increases of 4% each year; Mt. Vernon, also with a four-year contract ending in 2026, has wage increases of 4%, 3%,

3%, and 3%; and Charleston, with a three-year contract ending in 2025, has annual increases of 2.5%.

The Union also cites a disparity in the starting salaries for firefighters between Mattoon and the comparable communities, offering the following data (which include paramedic stipends where applicable):

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Edwardsville	$68,747.67	$70,465.68	$72,238.23	$72,238.23*	$72,238.23*
Ottawa	$59,299	$61,077.97	$62,910.31	$62,910.31*	$62,910.31*
Mt. Vernon	$53,130.48	$55,255.20	$57,186.58	$58,902.47	$60,669.57
East Moline	$52,036.72	$53,296.55	$54,587.88	$55,911.49	$55,911.49*
Mattoon	**$48,762.28**	**$50,009.19**	**$51,173.92**	**$53,084.08**	**$55,070.64**
Centralia	$48,544.23	$50,486	$52,506	$54,607	$56,792
Charleston	$47,400	$48,516	$49,656	$50,820	$50,820*
Average of Comparables	$54,859.68	$56,516.23	$58,180.83	$59,231.58	$59,890.27

**No contract data for this year, so most recent salary is listed.*

The Union notes that Dixon, proposed as a comparable by the City, had a starting salary of $55,565 for 2021, and $56,954 for 2022, which would place it third on this table. Additionally, the Union compares wage progressions during 2021 for firefighters/paramedics between Mattoon and Charleston, the lowest of the starting salaries, showing that after six months Charleston firefighters earn an annual salary of $52,580, compared to Mattoon firefighters who earn $48,762.28. After twelve years, according to the Union's data, Mattoon firefighters are at the top of the salary schedule at $67,349.96, while Charleston firefighters earn $71,232 after twelve years and hit a maximum salary of $76,296 after 25 years.

The Union concludes its members are paid substantially less in wages than firefighters in comparable communities. It says its proposal would not change Mattoon's ranking among these

communities, but is intended to prevent the firefighters from falling further behind. It asks that its proposal be awarded as it is eminently more reasonable.

The Union asserts there is no issue with respect to the City's ability to pay, noting that it had a General Fund balance of $9.8 million for the year ending April 30, 2021, which was an increase of $2.4 million over the previous year. It cites the testimony of City Administrator Kyle Gill that the General Fund is in better shape as of the date of the hearing than it was during the previous audit. It further argues that its wage proposal is in the public interest as it would facilitate the recruitment and retention of firefighters. It cites the fact that the number of bargaining unit members is down to 24 as evidence that the City has difficulty recruiting and retaining personnel.

The City denies the existence of a status quo for the contract duration. It says the Union's argument for a status quo is solely to force the Arbitrator to select its wage proposal. It argues that arbitral history in Illinois does not define a status quo for the number of years for a collective bargaining agreement. Notwithstanding this position, the City submits the status quo cannot be based upon two instances. To be sure, it characterizes the most recent contract as only a 100-day contract because it expired just over three months after it was signed, and it says the wage increases contained therein had already been decided by the collective bargaining agreements with the City's other two units. The City additionally maintains the 2014-2018 contract was only nominally for four years inasmuch as it contained a wage re-opener provision in the third and fourth years. Because the parties entered into a wage increase agreement in 2016, the City characterizes the 2014-2018 agreement as two two-year contracts. In sum, it says the parties have a history of having a 100-day contract, a one-year contract for 2010-2011, and two two-year contracts. It concludes that another

two-year contract in this case would not be a deviation from what the parties have recently agreed to.

The City points to its collective bargaining agreements with PBPA and AFSCME, noting that it has tried to synchronize the terms of the three units' contracts. It notes those unions had three-year and two-year contracts, respectively, prior to their current agreements.

The City argues its proposal regarding duration is more reasonable than the Union's, accounting for internal parity, external communities, and the other applicable statutory factors. Thus, it asks that its proposal be awarded by the Arbitrator.

With regard to its wage proposal, the City argues it is eminently the more reasonable proposal inasmuch as the two annual increases were accepted by the Union, and also reflects a 20-year parity among the three bargaining units. Citing Arbitrator Robert Perkovich's Award in *Village of Park Forest and FOP*, S-MA-12-281 (January 27, 2014), the City submits that internal parity is a stronger factor than external comparability. The City says this has been an historical and consistent goal, and avers there has been an unbroken stretch of 21 consecutive years in which the annual percentage wage increases for the three separate bargaining units are identical. In the case of Fire and Police Departments, it says the identical increases would be mandated in certain instances, but not all, by contractual me-too provisions. The City raises the likelihood of having to grant 4% wage increases to PBPA and AFSCME for the first two years when their contracts expire in 2024, and asks the Arbitrator to not establish a wage increase that will affect bargaining units that are not a party to the interest arbitration. That can be avoided, says the City, by adopting its proposal on contract duration and wages.

The City characterizes the Union's proposal for 4% wage increases as patently unreasonable. It cites the parties' bargaining history, as well as internal parity, noting that it has never, over the course of twenty years, agreed to a wage increase in excess of 3%. Furthermore, it says it will be seven years, as of the 2023-2024 contract year, that the parties last had a 3% increase. The City notes it provided consecutive 3% increases in the 2008-2009 and 2009-2010 contract years, but they were followed by no increase during the 2010-2011 contract year. It submits that acceptance of the City's wage proposal would not prevent the Union from seeking 4% increases upon the expiration of the two-year term, but insists the bargaining table would be the place to do so. The City cites *City of Paris and Policemen's Benevolent Labor Committee*, S-MA-17-269 (Arbitrator Brian Clauss, April 26, 2019), stating, "Interest arbitration is designed to reach a result that the parties would have reached through negotiation."

The City favors a shorter contract duration because of national and local economic uncertainty. It says it is concerned about recession and inflation, as well as financial issues related to the reinstatement of its ambulance service. Although it acknowledges that its financial condition is generally good, it notes that some of the City's funds are COVID-19 related, and cannot be used for Fire Department salaries. It contends that a four-year contract with 4% increases in the third and fourth years would impose a substantial hardship on the City, while a two-year agreement would not adversely impact the Union, particularly since the wage increases are already agreeable to the Union. The City questions whether economic conditions during the third and fourth years would warrant 4% increases, asserting that inflation appears to be decreasing and that a recession may be on the way.

Again questioning whether any other communities are truly comparable to Mattoon, the City submits external comparability should not be a consideration in this case. It asks that the dispute between the City and the Union should be resolved based upon considerations relevant to the City of Mattoon and its Fire Department employees, and not by the parties in other jurisdictions where the parties herein had no input into what went into their labor agreements. In any case, the City denies that the data regarding wage increases in the Union's comparable communities support the 4% increases it seeks. It characterizes Centralia, the only municipality with multiple years of 4% increases, as a clear outlier.

In looking at the average increases in the other municipalities, the City urges the Arbitrator to consider the mean or mode, rather than the mean. For 2024, it says the mode for all proposed external communities is 2.5% and the median is 2.75%, both substantially lower than the Union's proposed 4% increase. As for 2025, it submits that a data set of only two external communities (Mt. Vernon and Centralia) is too small to have any significance.

Aside from the question of comparability, the City maintains that the other statutory factors do not support the Union's position. It denies there is evidence of instability in the workforce that would be cured by the Union's proposal. It says the Union has not presented evidence of Fire Department employees quitting because of wages, or any evidence that the wage increases it seeks will assist in recruiting employees two years into the future. Although there are currently job vacancies, the City avers it has been able to reach full manning in recent history.

It asks that the Arbitrator not consider inflation and CPI data inasmuch as there is no evidence of the parties using those factors to agree upon wage increases in the past. It asserts that

cost-of-living should not be the floor for wage increases, and CPI is an unknown factor going forward during the term of the contract, particularly in light of the current volatility and anticipated short duration of high inflation.

While contract duration is a non-economic issue, and typically considered by arbitrators after the economic issues, the fact that the parties have inextricably linked their wage proposals to their proposals on contract duration, the package has become an economic issue. The Arbitrator's decision is based upon his weighing of the joined proposals from each party.

The record reflects that the parties entered into three-year contracts in 2000 and 2003. Their next contract was for four years, running from 2006 to 2010. That contact was extended for a year, and was followed by a three-year contract from 2011 through 2014. The effect of the additional year and then a three-year contract was that the parties maintained a four-year cycle. They then negotiated two more four-year contracts in 2014 and 2018. The Union now seeks another four-year contract, while the City wants only a two-year contract. The Arbitrator finds that there has been a pattern of four-year periods of bargaining as far back as 2006. At the very least, the parties have negotiated three- and four-year contracts since at least 2000. There has not been a single contract with a duration of less than three years. The City's proposal, therefore, is a definite variance from the status quo, placing the burden upon the City to demonstrate its proposal is the more reasonable and appropriate of the two.

The City's primary objective in limiting the contract to two years is to have its expiration coincide with the contracts for the other two bargaining units. While the City may believe there is some benefit to negotiating three collective bargaining agreements simultaneously, the Arbitrator

is unconvinced that any benefit that might be derived is sufficient to deviate from the status quo. That benefit, if any, would inure only to the City, without any advantage given to the bargaining unit members.

The City's concern about economic uncertainties during an extended term contract is counter-balanced by the fact that the Union's proposal would fix the costs of the agreement for an additional two years. While the parties might have negotiated a four-year contract with a wage re-opener after the second year, the Union's proposal affords certainty that a shorter contract would not.

As Professor Malin noted in *Village of Skokie and Skokie Firefighters, supra*, there is a benefit to the labor relations stability afforded by a longer contract, particularly when there has been a protracted period of adversarial relations between the parties. The Arbitrator speculates that the parties' disputes regarding staffing, Engineer vacancies, and the provision of ambulance service had strained the relationship between them to the point that it was necessary to submit their bargaining proposals to binding interest arbitration for the first time in their long bargaining history.

The City's proposal would have the contract expire only a year from the issuance of this Award, requiring the parties to return to the bargaining table with only a brief respite. The Union's proposal would afford a three-year cooling off period. In *City of North Chicago and FOP, supra*, Arbitrator Robert Perkovich wrote, "Finally, I agree with the Union that one of the central tenets of the Illinois Public Relations Act, as is true of all labor regulatory statutes, is to encourage and promote stability in collective bargaining. Longer than shorter contracts generally promote stability in collective bargaining."

Furthermore, having a four-year contract with the firefighters does not preclude the City from negotiating for two-year contracts with the other two unions, whose contracts both expire in 2024. It may be easier to accomplish that before those contracts expire, as opposed to conducting such negotiations subsequent to expiration.

The adoption of a four-year contract, as recognized by both parties, would dictate the acceptance of the Union's wage proposal. As noted above, the parties both agreed that the Arbitrator's choice is to accept either the City's proposal for a two-year contract with increases of 2.75% and 2.5% in years one and two, or the Union's proposal of a four-year contract with annual increases of 2.75%, 2.5%, 4%, and 4%. The parties are in agreement as to the wage increases that are to be afforded during the first two years of the Agreement. The question is whether the Union's proposal for increases of 4% in each of the last two years is so unreasonable that it would counter-balance any consideration of the contract duration.

While significantly higher than the increases for the first two years, the Union's proposal for the last two years is not unreasonable. With recent annual inflationary rates of 7 to 8 percent, the 2.75% and 2.5% increases come nowhere near matching the cost of living. Although the Federal Reserve Board has the objective of controlling inflation to 2%, there is no indication they will be able to do so by the end of the contract term. Even if it could, the 4% increases would barely make up for the decline in the employees' spending power when their wage increases were surpassed by the cost of living.

Because the City's contracts with the other two bargaining units expire in 2024, there are no internal comparables with respect to wage increases. Of the external comparables, only two other

communities have contracts extending through 2026. Centralia firefighters are receiving 4% increases for each of the four years, and Mt. Vernon firefighters received 4% for 2022-2023, and will receive 3% annual increases for the next three years. The Union's proposal is not significantly different from those communities. Looking at all of the external comparables, and assuming no wage increases are granted in those communities when their labor agreements expire, the starting pay for Mattoon firefighters will remain at the same relative standing despite the 4% increases.

Applying the statutory factors as appropriate, the Arbitrator finds the Union's proposal to be more reasonable. For this reason, the Arbitrator directs the adoption of the Union's proposals as follows:

> **Article 26, Section 1, Duration:**
>
> **This Agreement shall become effective May 1, 2022 and extend until the 30th day of April 2026.**
>
> **Appendix A:**
>
> **2022/2023: 2.75%**
> **2023/2024: 2.5%**
> **2024/2035: 4%**
> **2025/2026: 4%**

Engineer Staffing: The City proposes that the number of Engineer positions in the Department be reduced from twelve to nine.[11] Instead, it characterizes its proposal as maintaining the status quo. In this regard, the City explains it bases its proposal on a decades-long practice of aligning the number of Engineer positions with the Department's apparatus. It explains that

[11]Temporarily, it asks that as many as ten employees be allowed to hold the Engineer position to accommodate an employee who may soon be eligible for promotion to that rank.

Engineers are responsible for driving and ensuring the readiness of certain apparatus, which currently consists of an engine, a ladder truck, and a heavy rescue pumper. The Engineers, says the City, are responsible for operating the pumps, hydraulics, and specialty tools on those apparatus.

The City's final offer in regard to Staffing- Engineers states:

> ORDINANCE NO. 2011-5332, creates 12 engineer positions. Article 24, Section 2 of the CBA incorporates by reference the City of Mattoon Code of Ordinances and all special ordinances now in effect. The City proposes to reduce the number of engineers from 12 to 9. It is the City's understanding that one employee is scheduled to retire on or about 2022/23. Upon his retirement, FF Jed Donaldson would become eligible for promotion to engineer. If Mr. Donaldson is duly employed and otherwise eligible upon the aforementioned retirement, the City proposes to "grandfather in" Mr. Donaldson and promote him to the position of engineer. After the promotion of Mr. Donaldson, no additional vacancies, beyond the 9 engineer positions, will be filled. The proposed reduction of engineers does not impact the overall total manning and no layoffs would occur.

At least since 2001 and until 2009, the City says the Fire Department had five apparatus that required Engineers, and employed fifteen Engineers to work the three shifts. The closure of a fire station in 2009, according to the City, reduced the number of apparatus requiring Engineers from five to four. Accordingly, it says the Department re-aligned the number of Engineers to twelve. Because the Department now has only three apparatus requiring Engineers, with no intent to add additional apparatus, the City argues the Fire Department now needs only nine Engineers.

The City notes that the Department is currently required to employ twelve engineers, provided there is a sufficient number of individuals qualified for those positions. This requirement, says the City, is the result of the current collective bargaining agreement, a City ordinance, and an Award by Arbitrator Brian Clauss. The City avers its would not terminate, demote, or displace any current employees, and will temporarily keep the number of Engineers at ten should its proposal be adopted.

The City denies this is a breakthrough issue because the staffing has historically been based on operational needs reflected by the number of apparatus requiring Engineers. The City disputes any contention the Union may make regarding the staffing of the airport's fire equipment. It says there is no evidence that the City's Fire Department Engineers are required to operate that equipment, or that they have been assigned to do so. Additionally, it notes Capt. Bart Owen, the President of Local 691, testified that there is no need for an Engineer to operate an ambulance.

The City argues the Union's position on this issue is not supported by any evidence that employees will lose out on advancement opportunities if the number of Engineer positions is reduced. It questions how many employees are actually qualified for, and interested in holding, an Engineer position. It does not believe this to be a factor in either retention or recruiting firefighters. Should additional apparatus that requires Engineers be acquired by the Fire Department, the City notes the parties could implement an increase in the number of Engineers to reflect the increased need.

The City discusses the assignment of Engineers to ambulances, and denies there is an established past practice of such assignments that must be protected. It notes that there are only nine Engineers currently in the Fire Department, so they are not working every shift on the ambulance.

The City submits that its position is historically supported and fiscally sound, and does not artificially inflate the roster of Engineers beyond the need based upon the equipment that actually requires Engineers. It asks, therefore, that its position be adopted by the Arbitrator.

The Union characterizes the City's proposal as a breakthrough, and argues that the status quo of twelve Engineers be maintained. It explains that the Agreement does not specifically establish

the number of Engineers in the Fire Department, but cites Article 24, Section 2, "City of Mattoon Code of Ordinances," which states:

> This Agreement incorporates by reference the City of Mattoon Code of Ordinances and all special ordinances now in effect. To the extent that this agreement is inconsistent with any ordinance of the City of Mattoon, the terms of this agreement shall control. It is the intention of the City to repeal any provision of the Code of Ordinances or special ordinances to the extent that they are in conflict herewith.

The Union then refers to Ordinance 2011-5332, entitled "An Ordinance Providing for a Reorganization of the Command Structure of the City Mattoon Fire Department," adopted by the City of Mattoon on November 15, 2011. With respect to the rank of Engineer, it says the ordinance provides:

> (C) Engineers.
>
> (1) There is hereby created twelve positions within the ranks of Engineer in the Fire Department of said city, who shall hold office until replaced and their successor or successors appointed and qualified. The rank of Engineer in the Fire Department shall be appointed by the rules and regulations governing the Board of Fire and Police Commissioners of said city.
>
> (2) Any appointment to the rank of Engineer in the Fire Department shall be from within the ranks of Firefighter of said department.

The Union explains it had to arbitrate the staffing requirement because four vacancies occurred in the rank of Engineer between 2017 and 2018 as the result of retirement and promotion. It cites the Award of Arbitrator Brian Clauss in *Mattoon Firefighters Association, Local 691 and City of Mattoon* (January 9, 2019), holding that "The Ordinance is incorporated into the Agreement and requires twelve engineer positions."

The Union avers the Engineer staffing level has not been altered since its adoption in 2011. It submits that the status quo has not been linked to the number of fire stations operated or the

number and type of apparatus. There is no evidence, says the Union, that the parties negotiated the Engineer staffing level when it was fifteen, or when it was changed to twelve. It says this change was a unilateral action taken by the City.

The Union claims the evidence suggests the number of Engineers was a function of the number of fire stations operated rather than the number and type of apparatus at each station. It says the City has not offered evidence to correlate the timing of any change in the number of Engineers with a change in the number of apparatus requiring an Engineer. Furthermore, the Union insists the Fire Department still maintains a pumper at the airport, and that bargaining unit members are frequently assigned to it.

The Union asserts arbitrators are reluctant to make changes to staffing requirements through interest arbitration. It says such dramatic changes have wide-reaching effects on working conditions and firefighter safety. It submits that the City's desire to reduce Engineer staffing by three is a dramatic departure from the status quo, and argues the City has not met the burden required to have this breakthrough awarded. It particularly notes the City has not offered a *quid pro quo* for its proposal, and suggests that it engage in good faith bargaining with the Union to achieve its goal.

The Union notes that having only nine Engineers could have financial repercussions for the City. With only nine Engineers, the Union says the City would have to pay overtime for an Engineer or have a firefighter act up in order to cover for an Engineer taking a day off. On the other hand, the Union denies there is evidence that having twelve Engineers has caused operational hardships for the City.

Finally, the Union argues that a reduction in Engineer staffing would reduce opportunities for promotion and pay increases. Referring to its argument that entry pay for firefighters/paramedics is lower than other communities, the Union asserts that the opportunity for promotion enables employees to achieve higher salaries earlier in their careers. Because firefighters hired after 2014 do not receive longevity pay under the current Agreement, and reach maximum salary in their 13th year of service, the Union notes their only pay increases, other than potential cost-of-living adjustments, would be through promotion. Additionally, the Union explains that a promotion to a higher rank requires a first promotion to Engineer. Thus, it insists the elimination of one-quarter of the Engineer positions would mean fewer opportunities for promotion across the board for bargaining unit employees.

The Union, for these reasons, asks the Arbitrator to reject the City's proposal and award the status quo on staffing.

Other than Article 18, Section 2, which requires a shift minimum staffing of eight bargaining unit employees and a department minimum staffing of thirty bargaining unit employees, the Agreement does not establish any staffing standards for any job classification. Nor does the Agreement establish a line of progression from one rank to another. Instead, job classification staffing and rank progression are addressed by City Ordinance. Specifically, Ordinance No. 2011-5332, enacted by the Mattoon City Council on November 15, 2011, established twelve positions within the ranks of Engineer, and provided that appointment to the rank of Engineer shall be from the ranks of Firefighter. Article 24, Section 2, in turn, provides:

> This Agreement incorporates by reference the City of Mattoon Code of Ordinances and all special ordinances now in effect. To the extent that this agreement is inconsistent with any

> ordinance of the City of Mattoon, the terms of this agreement shall control. It is the intention of the City to repeal any provision of the Code of Ordinances or special ordinances to the extent that they are in conflict herewith.

In resolution of a grievance brought by the Union because the City failed "to promote firefighters to the rank of engineer in order to maintain at least twelve positions with the rank of engineer," Arbitrator Brian Clauss, on January 9, 2019, issued an Award finding that the City had violated the Agreement. He held that the Ordinance requires the staffing of twelve engineer within the Department, and that the Ordinance is incorporated into the Agreement by reference in Article 24, Section 2. It is evident to this Arbitrator that the City's proposal is to have the effect of nullifying the Clauss Award. Under Article 24, Section 2, if the collective bargaining agreement is inconsistent with any ordinance, the Agreement controls. The Agreement recognizes that it would be the intent of the City to repeal the Ordinance to the extent it conflicts with the Agreement.

The record before the Arbitrator reflects a relationship between the number of apparatus that require an Engineer and the number of employees holding that position. Prior to 2009, the City had three stations, two in the city and one at the airport, and had three engines, a ladder truck and a heavy rescue truck. All five apparatus required Engineers on each of three shifts. Consequently, the City maintained a force of fifteen Engineers. In 2009, the City closed the Coles County Memorial Airport station, eliminating one of the engines.[12] When the number of apparatus was thus reduced to four, the City reduced the number of Engineers to twelve. Now there is only one engine, one ladder truck, and one heavy rescue truck.

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[12]While there is still an engine at the airport, the record indicates the City does not have employees assigned to it.

While the present status quo has twelve Engineers in the Department, it is evident that the historic practice has been to have a 3:1 ratio of Engineers to apparatus. Notwithstanding the Union's position, the Arbitrator does not see the City's proposal as a breakthrough inasmuch as it is intended to retain the ratio of Engineers to apparatus. The decisions cited by the Union are not on point for this reason. In *Village of Oak Lawn and IAFF*, Case No. S-MA-16-015 (January 1, 2017), Arbitrator Steven Bierig considered a request to change the number of employees assigned to specific apparatus. Arbitrator Daniel Nielsen, in *Palos Heights Fire Protection District and IAFF*, Case No. S-MA-12-389 (June 11, 2013), considered a proposal to reduce shift manning. Arbitrator Peter Meyers, in *Village of Dolton and IAFF*, Case No. S-MA-11-154 (February 28, 2012), considered the union's request to require one lieutenant on each shift. All three of these cases would have had an impact on total staffing requirements. In the case at bar, there is no request to modify the Agreement's requirement that the Department be staffed with thirty bargaining unit members. Nor does the City's request change the number of employees assigned to each apparatus. It simply removes the requirement to have more Engineers than are needed based upon the apparatus. Applying the statutory factors as appropriate, the Arbitrator finds the City's proposal to be more reasonable.

With the understanding that Firefighter Jed Donaldson would become eligible for promotion upon the retirement of another Engineer, the Arbitrator directs the adoption of the City's proposal as follows:

> **Engineer Staffing.**
>
> **(1) There is hereby created nine positions within the rank of Engineer in the Fire Department, who shall hold office until replaced and their successor or successors appointed and qualified. The rank of Engineer in the Fire Department shall be appointed by the rules and regulations governing the Board of Fire and Police Commissioners.**

(2) Any appointment to the rank of Engineer in the Fire Department shall be from within the ranks of Firefighter of said department.

Holidays: The Union proposes to add two new holidays to the current four holidays under the Agreement. One holiday, Good Friday, would be added before the second year of the new Agreement, and the second holiday, Employees' birthdays, would be added before the third year of the contract. It proposes the new contract language:

> C. Effective January 1, 2003, Good Friday shall be recognized as a fifth holiday (for a total of 120 hours of holiday pay, calculated using each employee's standard rate of pay, per employee).
>
> D. Effective January 1, 2024, Employees' birthdays shall be recognized as a sixth holiday (for a total of 144 hours of holiday pay, calculated using each employee's standard rate of pay, per employee).

The Union explains that the new holidays would become effective on January 1, which is consistent with the practice when each new holiday was added to the Agreement. It says the effective date is used because the pay for holidays is divided evenly across all pay periods for the calendar year.

According to the Union, its proposal is supported by both internal and external comparable data. It asserts Mattoon police officers on 12-hour shifts receive 117 holiday hours each year in lieu of holidays. In addition to this time off, the Union says police officers receive 72 hours holiday bonus pay, which is paid on the paycheck for the last pay period of November, for a total of 189 holiday hours. The Union explains that a first-year firefighter in 2021 had an annual salary of $45,342.28 for 2,672 hours of work, while a first-year patrol officer's salary was $52, 297.81 for 2,080 hours of work. Using these figures, the Union says the firefighter's hourly rate of $16.97 was

67.5% of the patrol officer's hourly rate of $25.14. Consequently, it argues the hourly rate differential adds to the value of the patrol officers' holiday pay.

The Union disputes the City's contention that firefighters get personal days in addition to holidays. It explains that these are what other fire departments refer to as "Kelly days," and are used to limit the total hours worked by the firefighter for overtime purposes. Furthermore, it notes that patrol officers also receive twelve hours of personal leave each month. This, it says, does not change the massive disparity in holiday pay between the two bargaining units.

With respect to the external comparables, the Union notes that East Moline, which it characterizes as an "outlier," only pays holiday time if the firefighter works that day. It offers the following comparison:

Community	**Holiday Time/Pay**
Mattoon	4 holidays – **96 hours**
Charleston	10 holidays – **240 hours** Can take time off or receive pay in lieu of time off, up to 7 days – **168 hours**
Centralia	12 holidays, paid at 1/2 comp. time per day – equivalent of 6 holidays (**144 hours**)
East Moline	9 holidays, paid at time-and-one-half if worked Additionally, for employee's birthday, may receive 8 hours off work, or 8 hours of extra pay
Edwardsville	11 Holidays – **264 hours**
Mt. Vernon	6 holidays – **144 hours**

Ottawa	12 holidays paid at time-and-one-half if worked Additionally, employees receive between 5 and 10 holidays **(between 120 and 240 hours)** of holiday time based on years of service

The addition of two holidays, says the Union, would put Mattoon firefighters on a par with Centralia and Mt. Vernon with 144 hours, but still lower than Charleston and Edwardsville. It would also be equal to the number of holiday hours paid to Ottawa firefighters in their second year of service, but would be substantially lower than Ottawa firefighters with four or more years of service.

The Union also explains that Dixon grants an additional 7.5% of an employee's base earnings in lieu of holiday pay. It computes this to equate to 8.35 days of holiday pay, or about 200 hours.

When the relatively low wages paid to bargaining unit firefighters by the City is factored into holiday pay, the Union says overall compensation of the firefighters is lower than both the internal and external comparables.

As it did in its argument for wage increases, the Union asserts the rise in inflation, and the concomitant decline in firefighters' buying power, justifies this increase in the number of holidays. It further maintains that the city is in excellent financial condition and can afford this additional expenditure. It notes the City's General Fund balance increased by $2.4 million and its asset-to-liability ration of 2.51% is nearly 17% over the previous year.

Finally, it submits that a competitive wage package is in the public interest because it allows for greater recruitment and retention of qualified individuals. It says the City's struggle in this regard is exemplified by its inability to maintain the minimum staffing numbers. It asks, therefore, that its proposal be adopted.

The City asks for the maintenance of the status quo with respect to holidays, with 96 holiday hours (the equivalent of four 24-hour shifts). It disputes the Union's reliance on the rate of inflation as justification for its demand. As it argued in connection with wage increases, the City contends the rate of inflation is not likely to continue, while the allowance of additional holiday pay would be permanent. It additionally argues that the City's ability to pay does not mean that it must.

The City characterizes the Union's proposal as a breakthrough, as it represents a 50% increase in the amount of holiday pay. It says the Union could not expect to obtain such an astronomical increase at the bargaining table, nor has it met the requirements for a breakthrough proposal.

The City denies the Union's proposal is supported by either internal or external comparables. It submits that the AFSCME unit cannot be used as a comparison because the employees, in most cases, get actual time off on the holidays. It also says the PBPA contract provides for a pay system unlike the firefighter unit. Those employees, says the City, are provided 117 hours of actual time off in lieu of holidays, and some off the time can be cashed out for straight time pay under certain circumstances. Additionally, it says the police unit receives 72 hours of straight time pay as a "holiday bonus."

As for external comparables, the City again argues that they are not relevant or applicable in interest arbitration. Notwithstanding this position, the City says Charleston cannot be compared to Mattoon because Charleston provides ten days off to its firefighters. Although Centralia recognizes twelve holidays, the City says it does not provide automatic compensation for them other than paying time and one-half for the time worked on a holiday. It says East Moline recognizes ten holidays, including the employee's birthday, and pays time and one-half if the employee works on

the holiday, but apparently nothing if the employee does not work. For the employee's birthday, the City says East Moline offers eight hours off with pay, or an extra eight hours of pay if the employee works.

With regard to Dixon, the City explains its holiday pay system varies by tenure as to whether the employee earns 7.5% of the employee's total compensation or base earnings for the prior year. Although Edwardsville provides compensation for eleven holidays under a system similar to Mattoon's, the City does not consider that municipality to be a comparable because it is essentially a major metropolitan suburb far from, and substantially larger than, Mattoon. It also does not consider Mt. Vernon to be comparable, even though it provides 144 hours of straight time pay under a similar system, because it does not provide an ambulance service, as well as being quite different and located far from Mattoon. Even if Mt. Vernon were considered to be an appropriate comparable, the City argues one external community is insufficient to support the Union's proposal.

Arguing that the Union has not justified its proposal, the City asks that it not be adopted.

The Arbitrator agrees with the City that external comparables are not appropriate in this case for the evaluation of the Union's proposal for an increase in the number of holidays. There is so little uniformity in how the comparable communities treat holidays, except for Edwardsville and Mt. Vernon, that it is impossible to truly measure the value of any of the other plans. While Edwardsville's holiday allowance is substantially greater than Mattoon's, and Mt. Vernon's is at the same level the Union is seeking, the Arbitrator is reluctant to evaluate the Union's proposal solely on the basis of only two communities.

The Arbitrator does not consider the Union's proposal to constitute a breakthrough. The City's only basis for this argument is the magnitude of the increase. In total, the increase is 50% only because the present allowance is only four days. If the current contract provided only one day, and the Union wanted to add a second day, that would be a 100% increase. If one were to break down the Union's proposal to two individual increases, the addition of the fifth day would be a 25% increase, while the sixth day would be only 20% more than the previous allowance. While the City's math is correct, it is deceiving and not persuasive.

The Union's strongest argument is comparing its proposal to the PBPA contract with the City. In *Village of Arlington Heights and Arlington Heights Fire Fighters Association Local 3105 IAFF*, S-MA-88-89 (January 29, 1991), Arbitrator Steven Briggs wrote, "In general, interest arbitrators attempt to avoid rendering awards which would likely result in the creation of orbits of coercive comparison between and among bargaining units within a particular public sector jurisdiction. This is especially true regarding firefighters and police units which notoriously attempt to attain parity with each other." Nevertheless, the disparity between these two bargaining units in Mattoon is so dramatic that there is justification for the Union's proposal to be adopted.

Applying the statutory factors as appropriate, the Arbitrator finds the Union's proposal to be more reasonable. The Arbitrator, therefore, directs the adoption of the Union's proposal as follows:

> **C. Effective January 1, 2003, Good Friday shall be recognized as a fifth holiday (for a total of 120 hours of holiday pay, calculated using each employee's standard rate of pay, per employee).**
>
> **D. Effective January 1, 2024, Employees' birthdays shall be recognized as a sixth holiday (for a total of 144 hours of holiday pay, calculated using each employee's standard rate of pay, per employee).**

Health Insurance: The City proposes to modify the manner in which employees' insurance contributions are calculated. It also seeks to add a third category of coverage so that coverage is based upon an individual insured employee, an individual insured employee plus one other family member, or a family consisting of an insured employee and more than one other family member. The City also seeks to increase the out-of-pocket maximums for the existing coverage categories, to be effective as of January 1, 2024. Its proposal is as follows:[13]

Article 11 INSURANCE
Section 1. Health Plan
A. Employees shall pay 25% of the annual premium equivalent rate of the cost of the health insurance plan by payroll deduction.

Effective January 1, 2024.

APPENDIX B
Calendar Year Deductible:

Network:	Non-network:
Individual - $500	Individual - $750
Family - $1000	Family - $1,500

Calendar Year Out of Pocket Maximum ~~in Excess of~~ including Deductible:[14]
Individual:
PPO Providers - ~~$2,000~~ $2,200
Non PPO Providers - ~~$4,000~~ $4,400

Family Single plus 1:
PPO Providers - ~~$,400~~ $4,400
Non PPO Providers - ~~$8,000~~ $8,800

Family:
PPO Providers - $6,600
Non PPO Providers - $13,200

Effective January 1, 2024.

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[13]Strikeouts indicate language to be deleted; underlined text is to be added.

[14]The change from "in Excess of" to "including" was required by the Affordable Care Act and the parties, subsequent to the hearing, have signed a tentative agreement incorporating this change.

The City explains it currently computes employee contributions based upon the insurance costs from the previous year, resulting in having to play catch-up to reflect actual costs. It proposes to use the anticipated costs provided by the insurance company for the current year, and cites this Arbitrator's Award in *City of Loves Park and FOP*, S-MA-04-175 (June 29, 2006), in support.

With regard to the balance of its proposal, the City claims it will effect a more reasonable allocation of the rising costs of insurance between the City and its Fire Department employees. It characterizes this as a relatively minor adjustment to the status quo, and argues it is more reasonable and appropriate than the Union's desire for no change.

The Union disputes the reason for the City's proposal to change the basis for computing premiums. It believes it would enable the City to inflate the projected insurance costs in order to increase the burden upon the members of the bargaining unit. It notes that the City has said it may modify the estimated total cost it receives from the insurance carrier, or reject it and come up with its own projection. It cites testimony by City Administrator Kyle Gill that the change will increase health insurance costs for the employees.

The Union further argues the City's proposal is not supported by the comparables. It avers the PBPA contract contains the same language as the status quo in the firefighters' contract. Acknowledging that external comparables are not valuable in considering insurance proposals, the Union argues they do not support the City in this regard.

The Union additionally argues that the City has not met its burden of proof with regard to its proposal to increase the out-of-pocket maximums. The establishment of a third classification of coverage, which is substantially more expensive, should be considered a breakthrough, says the

Union. It contends the City has not shown that the longstanding status quo is broken, nor has the City offered any evidence of the Union refusing any *quid pro quo* in exchange for the rework of the insurance plan tiers.

The Union contends the City's proposal is unreasonable in light of significant increases in the costs to employees since the 2011-2014 contract. In that contract, it says bargaining unit members contributed 15% of the cost of premiums; deductibles were $300 network and $500 non-network for individuals and $600 network and $1,000 non-network for a family. Out-of-pocket maximums, says the Union, were $1,000 network and $2,000 non-network for individuals and $2,000 network and $4,000 non-network for families.

In the 2014-2018 contract, the Union says premium contributions were raised to 25% by the final year of the contract, and deductibles were increased by 50% or more. The 2018-2022 contract, says the Union kept employee premium contributions at 25%, but doubled the out-of-pocket maximums for all employees. While the out-of-pocket costs for single employees would increase by 10% in the City's proposal, the Union asserts families with more than two participants would have their out-of-pocket maximum increase by 65%.

In light of the parties' recent bargaining history, and the lack of any evidence showing a notable increase in health insurance in recent years, the Union characterizes the City's proposed increases as unreasonable. It asks that it be rejected.

It is undisputed that medical costs have increased steadily in this country. To continue to provide comparable coverage, this has forced health insurance companies to increase their premiums. The parties, over the years, have acted reasonably by agreeing that premium costs would be shared

between the City and the bargaining unit members on a percentage basis, with the employees sharing in any increases in premiums on a proportional basis. The City may be correct that its suggested method for computing premiums is more accurate and reasonable.

The City's proposed changes in out-of-pocket maximums, on the other hand, is a drastic change from the status quo, and might be considered to be a breakthrough. Historically, the parties have established two tiers for insurance coverage – singles and families. Family coverage can include a married couple without children, an unmarried adult with one child, an unmarried adult with several children, or a married couple with one or more children. This binary structure is perhaps the most common component of health insurance plans, whether provided through an employer or any other source. It is, in fact, the same structure as the PBPA contract.

Because a "single plus one" would presumably generate less insurance benefit payments than a family of three or more, one might expect the out-of-pocket costs to fall somewhere between the single insured and the family insured. Instead, the City has placed the new tier at the level the family tier might have been, and made the family coverage more expensive. The City has offered no actuarial data to support this position. It has, in fact, offered no rationale for this aspect of its proposal.

Applying the statutory factors as appropriate, the Arbitrator finds the City has not met its burden of proof to support its proposal, and finds further that the Union's proposal is more reasonable. The Arbitrator, therefore, directs the continuation of the status quo.

AWARD

1. The Arbitrator directs the adoption of the Union's final offers regarding contract duration and wages.

2. The Arbitrator directs the adoption of the City's final offer regarding Engineer staffing.

3. The Arbitrator directs the adoption of the Union's final offer regarding holidays.

4. The Arbitrator directs the adoption of the Union's final offer regarding insurance to maintain the status quo.

5. All contract terms tentatively agreed to by the parties are incorporated herein and made a part of this Award by reference.

Barry E. Simon, Arbitrator

Dated: April 14, 2023
Arlington Heights, Illinois