

**IN THE MATTER OF THE INTEREST ARBITRATION  
BEFORE ARBITRATOR  
STEVEN M. BIERIG**

<b>IN THE MATTER OF INTEREST ARBITRATION BETWEEN:</b>  <b>VILLAGE OF ORLAND PARK</b>  <b>AND</b>  <b>METROPOLITAN ALLIANCE OF POLICE ORLAND PARK POLICE CHAPTER #159</b>	<b>ISSUES: 1) PAID LUNCH 2) COMPENSATORY TIME 3) ACCUMULATION OF SICK LEAVE DAYS 4) WAGES 5) EDUCATIONAL INCENTIVE 6) RETIREE HEALTH BENEFIT 7) EMPLOYEE HEALTH BENEFIT 8) WELLNESS PROGRAM 9) CO-PAYS FOR HDHP PLAN 10) SHORT-TERM DISABILITY</b>  <b>ARB. NO. 11-158</b>  <b>CASE NO. S-MA-011-157</b>
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**Before:** Steven M. Bierig, Arbitrator

**APPEARANCES:**

**For Village of Orland Park:** James P. Daley, James D. Thomas  
Schuyler, Roche & Crisham, P.C.

**For Metropolitan Alliance of Police:** Joseph R. Mazzone

**Location of Hearing:** Orland Park Village Center  
14700 Ravinia Avenue  
Orland Park, Illinois

**Dates of Hearing:** October 9, 2012  
December 14, 2012  
March 7, 2013

**Date Briefs Exchanged:** June 1, 2013

**Date of Award:** January 1, 2014

## **AWARD:**

The Arbitrator notes that this is an Interest Arbitration in which all issues identified by the parties are economic. Pursuant to the Illinois Public Labor Relations Act (the "Act"), the Interest Arbitrator may only select one party's proposal regarding each issue. The Interest Arbitrator may not reach any solution other than one of the proposals offered by the parties.

After a review of all of the evidence, stipulations, exhibits, testimony, pre-Hearing briefs and all of the factors contained in Section 14(h) of the Act, of the 10 issues at hand, I have accepted 2 of the Union's proposals and 8 of the Village's proposals, as follows:

<b>Issues For Which The Union's Offer Is Accepted:</b>	<b>Issues For Which The Village's Offer Is Accepted:</b>
2) Compensatory Time 6) Retiree Health Benefit	1) Paid Off-Duty Lunch 3) Accumulation Of Sick Leave Days 4) Wages 5) Educational Incentive 7) Employee Health Benefit 8) Wellness Program Screening Requirement 9) Co-Pays For HDHP Plan 10) Short-Term Disability

Therefore, for reasons stated in this Opinion and Award, the Arbitrator finds that the following shall be incorporated into the May 1, 2011 – April 30, 2015 Contract between the parties:

### **1) Section 4.3. Changes in Normal Work Week and Work Day.**

#### **The Arbitrator Selects the Village's Proposal - Status Quo**

(a) It is the Village's intent to maintain the work day and work week in effect on the effective date of this Agreement for the Patrol Division. Such schedule consists of six (6) eight hour (8) and twenty five (25) minute days consecutively worked and three (3) days off consecutively. Each eight (8) hour and twenty five (25) minute shift shall consist of the following: A twenty-five (25) minute roll call period at the beginning of each shift; seven and one half (7 1/2) hours of regular duty and one-half (1/2) hour unpaid off-duty lunch period. According to this schedule, each officer is on the job a total of 40.55 work weeks per year for a total of 243 days of work or 2046.15 hours. The balance of 33.85 hours (2080 hours – 2046.15 hours) shall be used as scheduled by the Chief of Police for training sessions and shall be conducted under the current departmental policy concerning training as ten (10) three and one-half (3 1/2) hour training sessions, as agreed.

(b) Five (5) Day, Nine (9) Hour Work Schedule -- In the event of a determination by the Village to depart from the current work schedule during the term of this Agreement, the Village shall give special consideration to a departmental work schedule of consecutive five (5) nine (9) hour days with three (3) consecutive days off. Such a nine (9) hour day shall include a period of time designated for the purpose of roll call instruction, a one-half (1/2) hour off duty period for lunch, if available, and appropriate breaks in service as necessary. Utilizing such a schedule would render the Village 2052 hours of service. The remaining twenty-eight (28) hours due to the Village shall be allocated in seven (7) four (4) hour sessions and would be conducted under the current departmental policy concerning training.

(c) Five and Two Schedule -- The department currently and regularly assigns certain officers to a work schedule consisting of five (5) eight (8) hour days consecutively worked and two (2) days off consecutively. In using this schedule, officers assigned shall work a total of 52 work weeks a year for a total of 260 work days a year or 2080 hours scheduled. The eight (8) hour work day shall include a one-half (1/2) hour unpaid off-duty lunch period.

\* \* \*

## **2) Section 4.5. Compensatory Time.**

### **The Arbitrator Selects the Union's Proposal**

At the Employee's option, overtime, including the time and one-half premium pay earned on holidays worked and pay for each holiday, along with regular overtime assignments, may be accumulated as compensatory time due, calculated at the overtime rate in lieu of pay. This discretion shall be subject to the following:

1. All officers covered by this agreement who currently have accumulated compensatory time hours in excess of one hundred twenty (120) hours shall not be afforded the discretion to earn additional compensatory time.
2. All officers covered by this agreement who have at least sixty (60) hours of compensatory time, but not in excess of one hundred twenty (120) hours of compensatory time currently accumulated in their compensatory time banks, shall be allowed to earn compensatory time at the discretion of the Chief of Police or his designee. Such discretion shall not be unreasonably withheld.
3. All officers who have less than sixty (60) hours currently accumulated in their compensatory time bank shall, at that officer's discretion, be allowed to earn compensatory time in lieu of overtime pay.

All compensatory time earned from whatever source may be earned and accumulated to a maximum of one hundred twenty (120) hours. A maximum of one hundred twenty (120) hours shall be allowed to be carried over from year to year. All officers covered by this agreement who currently have in excess of one hundred twenty (120) hours shall have an exemption to this Memorandum and shall be considered "grandfathered" and allowed to carry over additional hours in excess of one hundred twenty (120).

Compensatory time off may only be used in time blocks of a minimum of four (4) hours with a minimum of twenty-four (24) hours notice of the request for such use. The number of hours and minimum notice may be waived by written approval by the Chief of Police or his designee.

The parties agree that compensatory time off is subject to the manpower requirements of the Department and shall be granted on a first come first served basis.

\* \* \* \*

**3) Section 10.3. Days Earned in Accumulation.**

**The Arbitrator Selects the Village's Proposal - Status Quo**

An employee shall earn sick leave at the rate of eight (8) days per year in any year in which the employee works.

\* \* \* \*

**4) Section 13.1. Wage Schedule.**

**The Arbitrator Selects the Village's Proposal - 1% increase for 2011**

Employees shall be compensated in accordance with the wage schedule attached to this Agreement and marked Appendix B.

The pay range (top, bottom, and intervening steps) for the employees are set forth in Appendix B.

## Appendix B

2010    5/1/2011    5/1/2012    5/1/2013    5/1/2014

1.00%      2.50%      2.50%      2.50%

80% Of step 1    \$ 48,909.72

step 1            \$ 61,137.15

step 2            \$ 64,144.15

step 3            \$ 67,296.91

step 4            \$ 70,612.09

step 5            \$ 74,089.99

step 6            \$ 77,745.56

step 7            \$ 81,850.79

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### 5) Section 13.9. Educational Incentive.

#### **The Arbitrator Selects the Village's Proposal**

(a) Employees who have attended an accredited college or university and received credit for hours attended shall receive an educational incentive as follows;

For All Employees (Effective 5/1 of each contract year):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bachelor's Degree	\$2,500	\$2,600	\$2,600	\$2,700
Master's Degree	\$3,000	\$3,100	\$3,100	\$3,200

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Section 15.2 Cost.

**6) 15.2(a) The Arbitrator Selects the Union's Proposal**

The Village and the Association agree that the Village shall pay the cost of the premiums for the insurance coverage provided by § 15.1 of this Agreement as follows:

a) Select Plan (HMO) –

Employees who retire after 20 years of service and at 50 years of age or older:

Retired individual – 100% effective 5/1/99 except that for employees hired after the date of ratification or arbitration award the 100% shall be reduced for future retirees by the employee premium contribution rate as outline in Section 15.2(b).

Retiree's spouse and dependents – shall be entitled to be enrolled and the retiree shall pay 100% of the additional premium cost for such coverage. The retiree shall pay all premium costs due directly to the Village Finance Department. Except that for employees hired after the date of ratification or arbitration award the 100% shall apply the current monthly premium for single Select Plan (HMO) (less the monthly premium contribution rate) coverage to the retired employee's medical plan of choice currently offered by the Village.

IF AN OFFICER LEAVES THE STATE OF ILLINOIS AFTER RETIREMENT AND THERE ARE NO HMO INSURANCE BENEFITS AVAILABLE TO THAT OFFICER, THE AFFECTED SHALL RECEIVE A MONTHLY PAYMENT EQUAL TO 100% OF THE THEN CURRENT MONTHLY PREMIUM FOR SINGLE HMO COVERAGE. Except that for employees hired after the date of ratification or arbitration award the benefit for relocated retirees shall be reduced by the then current monthly premium for single Select Plan (HMO) coverage.

b) Employee Premium Sharing

**7) 15.2(b) The Arbitrator Selects the Village's Proposal**

Plan participants providing for individual and/or family coverage shall contribute toward monthly premium costs through payroll deductions in amounts not to exceed the following:

		w/wellness		w/wellness		w/wellness	
	5/1/2011	1/1/2013	1/1/2013	1/1/2014	1/1/2014	1/1/2015	1/1/2015
SELECT PLAN (HMO)							

SELECT EMPLOYEE	\$0.00	\$0.00	\$30.00	\$20.00	\$50.00	\$30.00	\$110.00
SELECT EMPLOYEE + CHILDREN	DNA	\$18.00	\$48.00	\$38.00	\$68.00	\$65.00	\$145.00
SELECT EMPLOYEE + SPOUSE	\$0.00	\$20.00	\$50.00	\$40.00	\$70.00	\$70.00	\$150.00
SELECT FAMILY	\$25.00	\$27.00	\$57.00	\$60.00	\$90.00	\$100.00	\$185.00
HDHP/HSA PLAN							
HDHP/HSA EMPLOYEE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$15.00	\$55.00
HDHP/HSA EMPLOYEE + CHILDREN	DNA	\$0.00	\$35.00	\$0.00	\$40.00	\$25.00	\$65.00
HDHP/HSA EMPLOYEE + SPOUSE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$30.00	\$70.00
HDHP/HSA FAMILY	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$35.00	\$75.00
SILVER PLAN (PPO)							
PPO SILVER EMPLOYEE	DNA	\$55.00	\$125.00	\$55.00	\$135.00	\$65.00	\$155.00
PPO SILVER EMPLOYEE + CHILDREN	DNA	\$105.00	\$175.00	\$105.00	\$185.00	\$130.00	\$220.00
PPO SILVER EMPLOYEE + SPOUSE	DNA	\$110.00	\$180.00	\$110.00	\$190.00	\$135.00	\$225.00
PPO SILVER FAMILY	DNA	\$165.00	\$235.00	\$165.00	\$245.00	\$200.00	\$290.00
GOLD PLAN (PPO)							
PPO GOLD EMPLOYEE	\$85.00	\$95.00	\$180.00	\$95.00	\$190.00	\$175.00	\$285.00
PPO GOLD EMPLOYEE + CHILDREN	DNA	\$185.00	\$270.00	\$185.00	\$280.00	\$325.00	\$460.00
PPO GOLD EMPLOYEE + SPOUSE	\$170.00	\$195.00	\$280.00	\$195.00	\$290.00	\$340.00	\$475.00
PPO GOLD FAMILY	\$190.00	\$285.00	\$370.00	\$285.00	\$380.00	\$440.00	\$660.00

For plan years 2013, 2014, and 2015 an emergency room co-pay of \$150.00 will be applied to the Select and Gold plans.

For plan years 2013, 2014 and 2015 prescription co-pays for the Select and Gold plans are:

\$10 Generic

\$15 Brand when generic is not available

\$25 Brand if a brand prescription is purchased and a generic is available

c) Wellness Incentive (All Plans):

**8) 15.2 (c) The Arbitrator Selects the Village's Proposal**

1. The Village will conduct on-site health screenings scheduled by the Village on predetermined dates each calendar year for the employee. The Village will pay for the cost of the health screening for full-time employees. Beginning January 1, 2013, employees who choose not to participate in the employee health screening for that plan year will not be eligible for the discounted rates in that plan year.

2. If an employee is unable to participate in the health screening when they are held onsite, the employee will have 30 days post written notification that they have not completed the screening to obtain a health screening at one of the screening company's alternate locations. Failure to obtain a screening by that date will result in the loss of the discounted rate.

3. Employee premium rates will be administered assuming the discount will apply; upon confirmation of non-compliance with the wellness screening, discount removal will be applied retroactively to January 1 of the plan year.

d) HDHP/HAS

**9) 15.2(d) The Arbitrator Selects the Village's Proposal**

Annual Deductible:

For plan years 2011, 2012, 2013, 2014, and 2015 annual deductibles for the HSA will be:

EE:	\$2,500 per annum
EE + Spouse	\$5,000 per annum
EE + Child(ren)	\$5,000 per annum
Family	\$5,000 per annum

Employer contribution to HSA:

For those employees enrolled in the HDHP/HSA Plan, the Village will contribute an amount equal to 40% of the deductible associated with the employee's plan election in the employee's HSA for plan years 2012, 2013, 2014, and 2015. For plan years 2012, 2013, 2014, and 2015 the Village will make annual deposits no later than the second pay period in January of the respective plan year.

Prescription Drugs / Emergency Room Co-pays:



For plan years 2011, 2012, and 2013, the prescription drug benefit and emergency room costs will be subject to the annual deductible. Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health plan.

For plan years 2014 and 2015, the prescription drug benefit will again be subject to the annual deductible; however, once the deductible is satisfied prescriptions will be subject to a co-pay of \$0/\$20/\$40 or a model similar, as offered by the administrator at that time.

For plan years 2014 and 2015, emergency room benefit will again be subject to the annual deductible; however once the deductible is satisfied emergency room benefits will be subject to a \$150 co-pay after the deductible is satisfied. All co-pays and deductibles will be subject to a maximum annual out-of-pocket limit in the amount of \$5,950 per single coverage and \$11,900 per family coverage. \*This limit does not apply to deductible and expenses for out-of-network services if the plan uses a network of providers. Instead only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.

e) Section 125 Plan. The Village shall extend to members of the bargaining unit the opportunity to participate in the IRC §125 Plan it has established so long as such Plan continues to be authorized by the Internal Revenue Code.

f) Healthcare Cash Equalizer. MAP #159 members shall be paid a one time taxable payment of \$500.00 "healthcare cash equalizer" payable during the first pay period of January 2015.

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#### APPENDIX A

#### **10) Short-Term Disability- The Arbitrator Selects the Village's Proposal**

Clarification of the Coordination of Police Disability Pension Application and the Village's Short-Term Disability Program, Ordinance 1189

\* \* \*

2. Village's Short-Term Disability Program (STD), Ordinance 1189.
  - a. Employee applies for short-term disability on forms provided by the current short-term disability administrator.
  - b. The claim for short-term disability is reviewed by the administrator and an approval determination is made and provided to the Village and the employee.

- c. Employee is paid 75% salary for a maximum of 52 weeks (12 months) per disability.
  - d. "Good time" for Police Pension purposes.
  - e. All employee deductions are taken from bi-weekly payroll.
  - f. At the end of the 52 weeks employee returns to work, runs out accruals, leaves employment, or becomes a Police Disability Pensioner (if applied for and approved).
3. Village STD Program and Police Disability Pension.
- a. Employee applies for Village's STD program and Police Disability Pension at the same time.
  - b. STD is approved within the STD administrator process, Police Disability Pension is pending for several weeks/months.
  - c. Employee is paid 75% on Village's STD, time is considered "good time".
  - d. Disability Pension is approved 6 months into Village's STD program.
  - e. Disability Pension begins on the date of its approval in conjunction with Village's STD.
    - i. Pension pays 50%, Village pays 50% on biweekly payroll for 2 months.
    - ii. Pension pays 50%, Village pays 45% on biweekly payroll for 2 months.
    - iii. Pension pays 50%, Village pays 40% on biweekly payroll for remaining 2 months.
    - iv. This time is considered "bad time" for pension purposes.
    - v. Pension, state taxes are not taken from these payments. However, state taxes are taken from the bi-weekly payroll.
    - vi. Employee insurance premiums (at the employee rate) are taken from these payments. In addition any other deductions like deferred compensation, AFLAC etc. are taken from the Village portion on a priority basis.
    - vii. At the end of the 12 months (which started at the beginning of the Village's STD Program) the employee is removed from the Village's biweekly payroll and is paid the 50% Police Disability Pension.
    - viii. The employee is now considered a Police Disability Pensioner and is no longer in an active employment status. They receive the 50% Police Disability Pension and are responsible for the full insurance premium to continue medical, dental, or vision coverage. Life insurance coverage is also cancelled at this time. Disability Pensioners can contact Fort Dearborn Life Insurance to determine the cost of converting the policy.

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**Steven M. Bierig, Arbitrator**  
**January 1, 2014**

## **I. INTRODUCTION**

The Hearings in this matter took place on Tuesday, October 9, 2012, Friday, December 14, 2012 and Thursday, March 7, 2013. All of the Hearings convened at 9:00 a.m. at the Village of Orland Park Center located at 14700 Ravinia Avenue in Orland Park, Illinois. The Hearings took place before the undersigned Arbitrator who was selected to render a final and binding decision in this matter. At the Hearings, the parties were afforded a full opportunity to present such evidence and arguments as desired, including examination and cross-examination of all witnesses. A 275-page transcript was prepared. Both parties filed Post-Hearing Briefs that were exchanged by the Arbitrator on or about June 1, 2013, at which time the evidentiary portion of the Hearing was declared closed. All parties stipulated to this Arbitrator's jurisdiction and authority to issue a final and binding Award in this matter.

## **II. RELEVANT STATUTORY LANGUAGE**

The statutory provisions governing the issues in this case are found in Section 14 of the Illinois Public Labor Relations Act (the "Act" or "IPLRA"). In relevant part, they state:

On or before the conclusion of the heard held pursuant to subsection (d), the arbitration panel shall identify the economic issues in dispute. . .the determination of the arbitration panel as to the issues in dispute and as to which of these issues are economic shall be conclusive. . .

As to each economic issue, the arbitration panel shall adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors prescribed in subsection (h). The findings, opinions and order as to all other issues shall be based upon the applicable facts prescribed in subsection (h).

5 ILCS 315/14(g).

Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, and wage rates or other conditions of employment under the proposed new or amended agreement are in dispute, the arbitration panel shall base its findings, opinions and order upon the following factors, if applicable:

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 those costs.
4. Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
  - a. In public employment in comparable communities.
  - b. In private employment in comparable communities.
5. The average consumer price 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 hospital 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.

5 ILCS 315/14(h).

### **III. THE PARTIES' STIPULATIONS AND AGREEMENTS**

The Union and the Village stipulated or reached a tentative agreement regarding the following

Contract provisions:

Section 1.1 – Recognition

Section 1.2 – Probationary Period

Section 1.3 -- Chapter Officers; Chapter 1.4 – Fair Representation

Section 1.5 – Gender

Section 2.1 -- Meeting Request

Section 2.2 – Content

Section 2.3 – Attendance

Section 3.1 -- Management Rights

Section 4.3(b) -- Five (5) day, Nine (9) Hour Work Schedule

Section 4.3 (d) – Seniority Bidding of Permanent Shifts in the Patrol Unit of the Patrol Division

Section 5.1 – Definition

Section 5.2 -- Procedure

Section 5.2 – Procedure (Step 2)

Section 5.3 – Arbitration  
 Section 5.4 – Limitations on Authority of Arbitrator  
 Section 5.4 – Time Limit for Filing  
 Section 6.1 – No Strike  
 Section 6.2 – No Lockout  
 Section 6.3 – Penalty  
 Section 6.4 -- Judicial Restraint  
 Section 7.1 – Holidays  
 Section 7.2 – Holiday Pay and Work Requirements  
 Section 7.3 – Holiday Hours for Overtime Purposes  
 Section 7.4 – Floating Holidays  
 Section 7.5 – Holiday and Compensatory Time Scheduling  
 Section 8.1 – Layoff, Section 8.2 – Recall  
 Section 9.1 – Eligibility and Allowance  
 Section 9.2 – Vacation Pay  
 Section 9.3 – Scheduling and Accrual  
 Section 9.4 – Emergencies  
 Section 10.8 – Annual Sick Leave Buy Back  
 Section 12.1 – Tuition Reimbursement  
 Section 12.2 -- Educational Institution and Credit Hour limitations for Tuition Reimbursement  
 Section 12.3 – Authorization to Attend Conference, Conventions, Training Sessions, Workshops  
 Section 12.4 -- Compensation for Training  
 Section 13.7 – Service Longevity  
 Section 14.1 – Uniforms  
 Section 14.2 -- Uniform Allowance  
 Section 14.3 – Uniforms for New Employees and Probationary Employees  
 Section 15.3 – Terms of Insurance Policies to Govern  
 Section 15.5 – Vision Care, Section 17.1 – Physical Fitness Program  
 Section 17.2 -- Accident Review Board  
 Section 17.3 – Committee Appointments  
 Section 19.7 – Purge of Personnel File  
 Section 20.2 – Chapter’s Indemnification  
 Article XVIII – Impasse Resolution  
 Article XXI – Substance Abuse Prevention Program  
 Article XXII – Savings Clause  
 Article XXIII – Entire Agreement  
 Section 24.1 – Termination  
 Appendix C – General Order 22-4  
 Appendix F – General Order 22-3  
 Appendix G – General Order 26-5  
 Appendix I – Process for Permanent Shift Bidding  
 Appendix J – New Officer and Probationary Employee Requisition Items List

(Jt. Ex. 2; Un. Ex. 5; Tr. 61-62, 63-64)

#### **IV. ISSUES**

The issues submitted to me for resolution were:

- 1) Work Day – Paid Off-Duty Lunch (Section 4.3)
- 2) Compensatory Time (Section 4.5)
- 3) Accumulation Of Sick Leave Days (Section 10.3)
- 4) Wages For 2011 (Section 13.1)
- 5) Educational Incentive (Section 13.9)
- 6) Retiree Health Benefit (Section 15.2(a))
- 7) Employee Health Benefit – Employer Contribution (Section 15.2(b))
- 8) Wellness Program Screening Requirement (Section 15.2(c))
- 9) Co-Pays For HDHP Plan (Section 15.2(d))
- 10) Short-Term Disability Administration (Appendix A – Ordinance 1189)

All are economic issues and as such, the Interest Arbitrator may only select the proposal of one of the parties for each issue. The Interest Arbitrator may not select any other proposal.

(Jt. Ex. 3E)

#### **IV. FINAL OFFERS**

##### **A. The Union's Final Offers**

##### **Section 4.3. Changes in Normal Work Week and Work Day.**

(a) It is the Village's intent to maintain the work day and work week in effect on the effective date of this Agreement for the Patrol Division. Such schedule consists of six (6) eight hour (8) and twenty five (25) minute days consecutively worked and three (3) days off consecutively. Each eight (8) hour and twenty five (25) minute shift shall consist of the following: A twenty-five (25) minute roll call period at the beginning of each shift; seven and one half (7 1/2) hours of regular duty and one-half (1/2) hour ~~un~~paid off-duty lunch period. According to this schedule, each officer is on the job a total of 40.55 work weeks per year for a total of 243 days of work or 2046.15 hours. The balance of 33.85

hours (2080 hours – 2046.15 hours) shall be used as scheduled by the Chief of Police for training sessions and shall be conducted under the current departmental policy concerning training as ten (10) three and one-half (3 1/2) hour training sessions, as agreed.

(b) Five (5) Day, Nine (9) Hour Work Schedule -- In the event of a determination by the Village to depart from the current work schedule during the term of this Agreement, the Village shall give special consideration to a departmental work schedule of consecutive five (5) nine (9) hour days with three (3) consecutive days off. Such a nine (9) hour day shall include a period of time designated for the purpose of roll call instruction, a one-half (1/2) hour **paid** off duty period for lunch, if available, and appropriate breaks in service as necessary. Utilizing such a schedule would render the Village 2052 hours of service. The remaining twenty-eight (28) hours due to the Village shall be allocated in seven (7) four (4) hour sessions and would be conducted under the current departmental policy concerning training.

(c) Five and Two Schedule -- The department currently and regularly assigns certain officers to a work schedule consisting of five (5) eight (8) hour days consecutively worked and two (2) days off consecutively. In using this schedule, officers assigned shall work a total of 52 work weeks a year for a total of 260 work days a year or 2080 hours scheduled. The eight (8) hour work day shall include a one-half (1/2) hour ~~un~~paid off-duty lunch period.

Section 4.5. Compensatory Time ~~Except as otherwise noted in Article 7.2, compensatory time at a time and one-half (1 1/2) rate may be granted at such times and in such time blocks as are mutually agreed upon between the involved employee and his supervisor. If mutual agreement on compensatory time cannot be reached, the employee shall receive 1½ times his regular rate of pay for overtime worked.~~

**At the Employee's option, overtime, including the time and one-half premium pay earned on holidays worked and pay for each holiday, along with regular overtime assignments, may be accumulated as compensatory time due, calculated at the overtime rate in lieu of pay. This discretion shall be subject to the following:**

- 4. All officers covered by this agreement who currently have accumulated compensatory time hours in excess of one hundred twenty (120) hours shall not be afforded the discretion to earn additional compensatory time.**
- 5. All officers covered by this agreement who have at least eighty (60) (*sic*) hours of compensatory time, but not in excess of one hundred twenty (120) hours of compensatory time currently accumulated in their compensatory time banks, shall be allowed to earn compensatory time at the discretion of the Chief of Police or his designee. Such discretion shall not be unreasonably withheld.**

6. All officers who have less than eighty (60) (*sic*) hours currently accumulated in their compensatory time bank shall, at that officer's discretion, be allowed to earn compensatory time in lieu of overtime pay.

All compensatory time earned from whatever source may be earned and accumulated to a maximum of one hundred twenty (120) hours. A maximum of one hundred twenty (120) hours shall be allowed to be carried over from year to year. All officers covered by this agreement who currently have in excess of one hundred twenty (120) hours shall have an exemption to this Memorandum and shall be considered "grandfathered" and allowed to carry over additional hours in excess of one hundred twenty (120).

Compensatory time off may only be used in time blocks of a minimum of four (4) hours with a minimum of twenty-four (24) hours notice of the request for such use. The number of hours and minimum notice may be waived by written approval by the Chief of Police or his designee.

The parties agree that compensatory time off is subject to the manpower requirements of the Department and shall be granted on a first come first served basis.

Section 10.3. Days Earned in Accumulation An employee shall earn sick leave at the rate of ~~eight (8)~~ **twelve (12)** days per year in any year in which the employee works.

Section 13.1. Wage Schedule Employees shall be compensated in accordance with the wage schedule attached to this Agreement and marked Appendix B.

The pay range (top, bottom, and intervening steps) for the employees are set forth in Appendix B.

#### Appendix B

	2010	5/1/2011	5/1/2012	5/1/2013	5/1/2014
		<b>2.00%</b>	2.50%	2.50%	2.50%
80% Of step 1	\$ 48,909.72	<b>\$ 49,887.91</b>	<b>\$ 51,135.11</b>	<b>\$ 52,413.49</b>	<b>\$ 53,723.83</b>
step 1	\$ 61,137.15	<b>\$ 62,359.89</b>	<b>\$ 63,918.89</b>	<b>\$ 65,516.86</b>	<b>\$ 67,154.78</b>
step 2	\$ 64,144.15	<b>\$ 65,427.03</b>	<b>\$ 67,062.71</b>	<b>\$ 68,739.28</b>	<b>\$ 70,457.76</b>
step 3	\$ 67,296.91	<b>\$ 68,642.85</b>	<b>\$ 70,358.92</b>	<b>\$ 72,117.89</b>	<b>\$ 73,920.84</b>
step 4	\$ 70,612.09	<b>\$ 72,024.33</b>	<b>\$ 73,824.94</b>	<b>\$ 75,670.56</b>	<b>\$ 77,562.33</b>



step 5	\$ 74,089.99	<b>\$ 75,571.79</b>	<b>\$ 77,461.08</b>	<b>\$ 79,397.61</b>	<b>\$ 81,382.55</b>
step 6	\$ 77,745.56	<b>\$ 79,300.47</b>	<b>\$ 81,282.98</b>	<b>\$ 83,315.06</b>	<b>\$ 85,397.93</b>
step 7	\$ 81,850.79	<b>\$ 83,487.81</b>	<b>\$ 85,575.00</b>	<b>\$ 87,714.38</b>	<b>\$ 89,907.24</b>

#### Section 13.9. Educational Incentive

(a) Employees who have attended an accredited college or university and received credit for hours attended shall receive an educational incentive as follows;

For All Employees (Effective 5/1 of each contract year):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bachelor's Degree	\$2,500	\$2,600	\$2,600	<b>\$2,800</b>
Master's Degree	\$3,000	<b>\$3,200</b>	<b>\$3,200</b>	<b>\$3,400</b>

Section 15.2 Cost The Village and the Association agree that the Village shall pay the cost of the premiums for the insurance coverage provided by § 15.1 of this Agreement as follows:

a) ~~HMO~~

~~1. Employee and dependents – 100%~~

2. Employees who retire after 20 years of service and at 50 years of age or older:

~~Retired individual – 50%~~

Retired individual – 100% effective 5/1/99 **except that for employees hired after the date of ratification or arbitration award the 100% shall be reduced for future retirees by the employee premium contribution rate as outline in Section 15.2(b).**

Retiree's spouse **and dependents** – shall be entitled to be enrolled and the retiree shall pay 100% of the additional premium cost for such coverage. The retiree shall pay all premium costs due directly to the Village Finance Department. **Except that for employees hired after the date of ratification or arbitration award the 100% shall apply the current monthly premium for single Select Plan (HMO) (less the monthly premium contribution rate) coverage to the retired employee's medical plan of choice currently offered by the Village.**

IF AN OFFICER LEAVES THE STATE OF ILLINOIS AFTER RETIREMENT AND THERE ARE NO HMO INSURANCE BENEFITS AVAILABLE TO THAT OFFICER, THE AFFECTED SHALL RECEIVE A MONTHLY PAYMENT EQUAL TO 100% OF THE THEN CURRENT MONTHLY PREMIUM FOR SINGLE HMO COVERAGE. **Except that for employees hired after the date of ratification or arbitration award the benefit for relocated retirees shall be reduced by the then current monthly premium for single Select Plan (HMO) coverage.**

b) Employee Premium Sharing Plan participants providing for individual and/or family coverage shall contribute toward monthly premium costs through payroll deductions in amounts not to exceed the following:

	w/wellness		w/wellness		w/wellness		
	5/1/2011	1/1/2013	1/1/2013	1/1/2014	1/1/2014	1/1/2015	1/1/2015
SELECT PLAN (HMO)							
SELECT EMPLOYEE	\$0.00	\$0.00	\$30.00	\$20.00	\$50.00	\$30.00	\$110.00
SELECT EMPLOYEE + CHILDREN	DNA	\$18.00	\$48.00	\$38.00	\$68.00	\$65.00	\$145.00
SELECT EMPLOYEE + SPOUSE	\$0.00	\$20.00	\$50.00	\$40.00	\$70.00	\$70.00	\$150.00
SELECT FAMILY	\$25.00	\$27.00	\$57.00	\$60.00	\$90.00	\$100.00	\$185.00
HDHP/HSA PLAN							
HDHP/HSA EMPLOYEE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$15.00	\$55.00
HDHP/HSA EMPLOYEE + CHILDREN	DNA	\$0.00	\$35.00	\$0.00	\$40.00	\$25.00	\$65.00
HDHP/HSA EMPLOYEE + SPOUSE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$30.00	\$70.00
HDHP/HSA FAMILY	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$35.00	\$75.00
SILVER PLAN (PPO)							
PPO SILVER EMPLOYEE	DNA	\$55.00	\$125.00	\$55.00	\$135.00	\$65.00	\$155.00
PPO SILVER EMPLOYEE + CHILDREN	DNA	\$105.00	\$175.00	\$105.00	\$185.00	\$130.00	\$220.00
PPO SILVER EMPLOYEE + SPOUSE	DNA	\$110.00	\$180.00	\$110.00	\$190.00	\$135.00	\$225.00
PPO SILVER FAMILY	DNA	\$165.00	\$235.00	\$165.00	\$245.00	\$200.00	\$290.00
GOLD PLAN (PPO)							
PPO GOLD EMPLOYEE	\$85.00	\$95.00	\$180.00	\$95.00	\$190.00	<b>\$143.60</b>	\$285.00
PPO GOLD EMPLOYEE + CHILDREN	DNA	\$185.00	\$270.00	\$185.00	\$280.00	<b>\$266.68</b>	\$460.00
PPO GOLD EMPLOYEE + SPOUSE	\$170.00	\$195.00	\$280.00	\$195.00	\$290.00	<b>\$278.99</b>	\$475.00
PPO GOLD FAMILY	\$190.00	\$285.00	\$370.00	\$285.00	\$380.00	<b>\$361.04</b>	\$660.00
<b>Dental and Vision</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>	

For plan years 2013, 2014, and 2015 an emergency room co-pay of \$150.00 will be applied to the Select and Gold plans.

For plan years 2013, 2014 and 2015 prescription co-pays for the Select and Gold plans are:

\$10 Generic

\$15 Brand when generic is not available

\$25 Brand if a brand prescription is purchased and a generic is available

c) Wellness Incentive (All Plans):

1. The Village will conduct on-site health screenings scheduled by the Village on predetermined dates each calendar year for the employee. The Village will pay for the cost of the health screening for full-time employees. Beginning January 1, 2013, employees who choose not to participate in the employee health screening for that plan year will not be eligible for the discounted rates in that plan year.

2. If an employee is unable to participate in the health screening when they are held onsite, the employee will have 30 days post written notification that they have not completed the screening to obtain a health screening at one of the screening company's alternate locations. Failure to obtain a screening by that date will result in the loss of the discounted rate, **unless good cause is shown as to why the affected employee was unable to participate.**

3. Employee premium rates will be administered assuming the discount will apply; upon confirmation of non-compliance with the wellness screening, discount removal will be applied retroactively to January 1 of the plan year.

d) HDHP/HSA

1. Annual Deductible:

For plan years 2011, 2012, 2013, 2014, and 2015 annual deductibles for the HSA will be:

EE:	\$2,500 per annum
EE + Spouse	\$5,000 per annum
EE + Child(ren)	\$5,000 per annum
Family	\$5,000 per annum

2. Employer contribution to HSA:

For those employees enrolled in the HDHP/HSA Plan, the Village will contribute an amount equal to 40% of the deductible associated with the employee's plan election in the employee's HSA for plan years 2012, 2013, 2014, and 2015. For plan years 2012, 2013, 2014, and 2015 the Village will make annual deposits no later than the second pay period in January of the respective plan year.

### 3. Prescription Drugs / Emergency Room Co-pays:

For plan years 2011, 2012, and 2013, the prescription drug benefit and emergency room costs will be subject to the annual deductible. Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health plan.

For plan years 2014 and 2015, emergency room benefit will again be subject to the annual deductible; however once the deductible is satisfied, emergency room benefits will be subject to a \$150 co-pay after the deductible is satisfied. All co-pays and deductibles will be subject to a maximum annual out-of-pocket limit in the amount of \$5,950 per single coverage and \$11,900 per family coverage. \*This limit does not apply to deductible and expenses for out-of-network services if the plan uses a network of providers. Instead only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies. The prescription drug benefit and emergency room costs will be subject to the annual deductible. Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health plan.

e) Section 125 Plan. The Village shall extend to members of the bargaining unit the opportunity to participate in the IRC §125 Plan it has established so long as such Plan continues to be authorized by the Internal Revenue Code.

f) Healthcare Cash Equalizer. **MAP #159 members** shall be paid a one time taxable payment of \$500.00 "healthcare cash equalizer" payable during the first pay period of January, 2015.

### APPENDIX A

Clarification of the Coordination of Police Disability Pension Application and the Village's Short-Term Disability Program, Ordinance 1189

\* \* \*

2. Village's Short-Term Disability Program (STD), Ordinance 1189.
- a. ~~Employee has Village's Short-Term Disability form completed by treating physician.~~ **Employee applies for short-term disability on forms provided by the current short-term disability administrator.**
- b. ~~A review of the form takes place and the STD benefit is approved. Typically this review process takes less than a week assuming that the documentation is complete and appears authentic.~~ **The claim for short-term disability is reviewed by the administrator, third party medical administrator and an approval determination is made and provided to the Village and the employee.**

- c. Employee is paid 75% salary for a maximum of 52 weeks (12 months) per disability.
  - d. "Good time" for Police Pension purposes.
  - e. All employee deductions are taken from bi-weekly payroll.
  - f. At the end of the 52 weeks employee returns to work, runs out accruals, leaves employment, or becomes a Police Disability Pensioner (if applied for and approved).
3. Village STD Program and Police Disability Pension.
- a. Employee applies for Village's STD program and Police Disability Pension at the same time.
  - b. STD is approved **within the STD administrator process** ~~a couple of weeks~~, Police Disability Pension is pending for several weeks/months.
  - c. Employee is paid 75% on Village's STD, time is considered "good time".
  - d. Disability Pension is approved 6 months into Village's STD program.
  - e. Disability Pension **begins on the date of its approval** in conjunction with Village's STD.
    - i. Pension pays 50%, Village pays 50% on biweekly payroll for 2 months.
    - ii. Pension pays 50%, Village pays 45% on biweekly payroll for 2 months.
    - iii. Pension pays 50%, Village pays 40% on biweekly payroll for remaining 2 months.
    - iv. This time is considered "bad time" for pension purposes.
    - v. Pension, state taxes are not taken from these payments. However, state taxes are taken from the bi-weekly payroll.
    - vi. Employee insurance premiums (at the employee rate) are taken from these payments. In addition any other deductions like deferred compensation, AFLAC etc. are taken from the Village portion on a priority basis.
    - vii. At the end of the 12 months (which started at the beginning of the Village's STD Program) the employee is removed from the Village's biweekly payroll and is paid the 50% Police Disability Pension.
    - viii. The employee is now considered a Police Disability Pensioner and is no longer in an active employment status. They receive the 50% Police Disability Pension and are responsible for the full insurance premium to continue medical, dental, or vision coverage. Life insurance coverage is also cancelled at this time. Disability Pensioners can contact Fort Dearborn Life Insurance to determine the cost of converting the policy.

(Jt. Ex. 3B)

**B. The Village's Final Offers**

**Section 4.3. Changes in Normal Work Week and Work Day.**

(a) It is the Village's intent to maintain the work day and work week in effect on the effective date of this Agreement for the Patrol Division. Such schedule consists of six (6) eight hour (8) and twenty five (25) minute days consecutively worked and three (3) days off consecutively. Each eight (8) hour and twenty five (25) minute shift shall consist of the following: A twenty-five (25) minute roll call period at the beginning of each shift; seven and one half (7 1/2) hours of regular duty and one-half (1/2) hour unpaid off-duty lunch period. According to this schedule, each officer is on the job a total of 40.55 work weeks per year for a total of 243 days of work or 2046.15 hours. The balance of 33.85 hours (2080 hours – 2046.15 hours) shall be used as scheduled by the Chief of Police for training sessions and shall be conducted under the current departmental policy concerning training as ten (10) three and one-half (3 1/2) hour training sessions, as agreed.

(b) Five (5) Day, Nine (9) Hour Work Schedule -- In the event of a determination by the Village to depart from the current work schedule during the term of this Agreement, the Village shall give special consideration to a departmental work schedule of consecutive five (5) nine (9) hour days with three (3) consecutive days off. Such a nine (9) hour day shall include a period of time designated for the purpose of roll call instruction, a one-half (1/2) hour off duty period for lunch, if available, and appropriate breaks in service as necessary. Utilizing such a schedule would render the Village 2052 hours of service. The remaining twenty-eight (28) hours due to the Village shall be allocated in seven (7) four (4) hour sessions and would be conducted under the current departmental policy concerning training.

(c) Five and Two Schedule -- The department currently and regularly assigns certain officers to a work schedule consisting of five (5) eight (8) hour days consecutively worked and two (2) days off consecutively. In using this schedule, officers assigned shall work a total of 52 work weeks a year for a total of 260 work days a year or 2080 hours scheduled. The eight (8) hour work day shall include a one-half (1/2) hour unpaid off-duty lunch period.

Section 4.5. Compensatory Time. Except as otherwise noted in Article 7.2, compensatory time at a time and one-half (1 1/2) rate may be granted at such times and in such time blocks as are mutually agreed upon between the involved employee and his supervisor. If mutual agreement on compensatory time cannot be reached, the employee shall receive 1½ times his regular rate of pay for overtime worked.

Section 10.3. Days Earned in Accumulation. An employee shall earn sick leave at the rate of eight (8) days per year in any year in which the employee works.

Section 13.1. Wage Schedule. Employees shall be compensated in accordance with the wage schedule attached to this Agreement and marked Appendix B.

The pay range (top, bottom, and intervening steps) for the employees are set forth in Appendix B.

Appendix B

	2010	5/1/2011	5/1/2012	5/1/2013	5/1/2014
		<b>1.00%</b>	2.50%	2.50%	2.50%
80% Of step 1	\$ 48,909.72				
step 1	\$ 61,137.15				
step 2	\$ 64,144.15				
step 3	\$ 67,296.91				
step 4	\$ 70,612.09				
step 5	\$ 74,089.99				
step 6	\$ 77,745.56				
step 7	\$ 81,850.79				

Section 13.9. Educational Incentive.

(a) Employees who have attended an accredited college or university and received credit for hours attended shall receive an educational incentive as follows;

For All Employees (Effective 5/1 of each contract year):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bachelor's Degree	\$2,500	\$2,600	\$2,600	<b>\$2,700</b>
Master's Degree	\$3,000	<b>\$3,100</b>	<b>\$3,100</b>	<b>\$3,200</b>

Section 15.2 Cost. The Village and the Association agree that the Village shall pay the cost of the premiums for the insurance coverage provided by § 15.1 of this Agreement as follows:

a) Select Plan (HMO) – Employee and dependents share in the premium costs as outlined in Section 15.2(b).

Employees who retire after 20 years of service and at 50 years of age or older:

- Retired individual – 100% **less the monthly employee premium contribution rate as outlined in Section 15.2(b).**
- Retiree's spouse **and dependents** – shall be entitled to be enrolled and the retiree shall pay 100% of the additional premium cost. ~~The retiree shall pay all premium costs due directly to the Village finance department.~~
- The Village shall apply the current monthly premium for single **Select Plan (HMO) (less the monthly premium contribution rate)** coverage to the retired employee's medical plan of choice currently offered by the Village.
- **In the event a retiring member relocates from the State of Illinois and the Select Plan HMO program is unavailable to that member, the member shall receive a cash reimbursement equal to one hundred (100%) of the cost of the member Select Plan HMO premiums that are in effect at that time, minus the then current monthly premium for single Select Plan (HMO coverage)**

The retiree shall pay all premium costs due directly to the Village finance department.

~~IF AN OFFICER LEAVES THE STATE OF ILLINOIS AFTER RETIREMENT AND THERE ARE NO HMO INSURANCE BENEFITS AVAILABLE TO THAT OFFICER, THE AFFECTED SHALL RECEIVE A MONTHLY PAYMENT EQUAL TO 100% OF THE THEN CURRENT MONTHLY PREMIUM FOR SINGLE HMO COVERAGE.~~

b) Employee Premium Sharing Plan participants providing for individual and/or family coverage shall contribute toward monthly premium costs through payroll deductions in amounts not to exceed the following:

	w/wellness		w/wellness		w/wellness		
	5/1/2011	1/1/2013	1/1/2013	1/1/2014	1/1/2014	1/1/2015	1/1/2015
SELECT PLAN (HMO)							
SELECT EMPLOYEE	\$0.00	\$0.00	\$30.00	\$20.00	\$50.00	\$30.00	\$110.00
SELECT EMPLOYEE + CHILDREN	DNA	\$18.00	\$48.00	\$38.00	\$68.00	\$65.00	\$145.00
SELECT EMPLOYEE + SPOUSE	\$0.00	\$20.00	\$50.00	\$40.00	\$70.00	\$70.00	\$150.00
SELECT FAMILY	\$25.00	\$27.00	\$57.00	\$60.00	\$90.00	\$100.00	\$185.00
HDHP/HSA PLAN							
HDHP/HSA EMPLOYEE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$15.00	\$55.00



HDHP/HSA EMPLOYEE + CHILDREN	DNA	\$0.00	\$35.00	\$0.00	\$40.00	\$25.00	\$65.00
HDHP/HSA EMPLOYEE + SPOUSE		\$0.00	\$35.00	\$0.00	\$40.00	\$30.00	\$70.00
HDHP/HSA FAMILY		\$0.00	\$35.00	\$0.00	\$40.00	\$35.00	\$75.00
SILVER PLAN (PPO)							
PPO SILVER EMPLOYEE	DNA	\$55.00	\$125.00	\$55.00	\$135.00	\$65.00	\$155.00
PPO SILVER EMPLOYEE + CHILDREN	DNA	\$105.00	\$175.00	\$105.00	\$185.00	\$130.00	\$220.00
PPO SILVER EMPLOYEE + SPOUSE	DNA	\$110.00	\$180.00	\$110.00	\$190.00	\$135.00	\$225.00
PPO SILVER FAMILY	DNA	\$165.00	\$235.00	\$165.00	\$245.00	\$200.00	\$290.00
GOLD PLAN (PPO)							
PPO GOLD EMPLOYEE		\$85.00	\$180.00	\$95.00	\$190.00	\$175.00	\$285.00
PPO GOLD EMPLOYEE + CHILDREN	DNA	\$185.00	\$270.00	\$185.00	\$280.00	\$325.00	\$460.00
PPO GOLD EMPLOYEE + SPOUSE		\$170.00	\$280.00	\$195.00	\$290.00	\$340.00	\$475.00
PPO GOLD FAMILY		\$190.00	\$370.00	\$285.00	\$380.00	\$440.00	\$660.00

For plan years 2013, 2014, and 2015 an emergency room co-pay of \$150.00 will be applied to the Select and Gold plans.

For plan years 2013, 2014 and 2015 prescription co-pays for the Select and Gold plans are:

\$10 Generic

\$15 Brand when generic is not available

\$25 Brand if a brand prescription is purchased and a generic is available

c) Wellness Incentive (All Plans):

1. The Village will conduct on-site health screenings scheduled by the Village on predetermined dates each calendar year for the employee. The Village will pay for the cost of the health screening for full-time employees. Beginning January 1, 2013, employees who choose not to participate in the employee health screening for that plan year will not be eligible for the discounted rates in that plan year.

2. If an employee is unable to participate in the health screening when they are held onsite, the employee will have 30 days post written notification that they have not completed the screening to obtain a health screening at one of the screening company's alternate locations. Failure to obtain a screening by that date will result in the loss of the discounted rate.

3. Employee premium rates will be administered assuming the discount will apply; upon confirmation of non-compliance with the wellness screening, discount removal will be applied retroactively to January 1 of the plan year.

d) HDHP/HSA

Annual Deductible:

For plan years 2011, 2012, 2013, 2014, and 2015 annual deductibles for the HSA will be:

EE:	\$2,500 per annum
EE + Spouse	\$5,000 per annum
EE + Child(ren)	\$5,000 per annum
Family	\$5,000 per annum

Employer contribution to HSA:

For those employees enrolled in the HDHP/HSA Plan, the Village will contribute an amount equal to 40% of the deductible associated with the employee's plan election in the employee's HSA for plan years 2012, 2013, 2014, and 2015. For plan years 2012, 2013, 2014, and 2015 the Village will make annual deposits no later than the second pay period in January of the respective plan year.

Prescription Drugs / Emergency Room Co-pays:

For plan years 2011, 2012, and 2013, the prescription drug benefit and emergency room costs will be subject to the annual deductible. Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health plan.

For plan years 2014 and 2015, the prescription drug benefit will again be subject to the annual deductible; however, once the deductible is satisfied prescriptions will be subject to a co-pay of \$0/\$20/\$40 or a model similar, as offered by the administrator at that time.

For plan years 2014 and 2015, emergency room benefit will again be subject to the annual deductible; however once the deductible is satisfied emergency room benefits will be subject to a \$150 co-pay after the deductible is satisfied. All co-pays and deductibles will be subject to a maximum annual out-of-pocket limit in the amount of \$5,950 per single coverage and \$11,900 per family coverage. \*This limit does not apply to deductible and expenses for out-of-network services if the plan uses a network of providers. Instead only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.

e) Section 125 Plan. The Village shall extend to members of the bargaining unit the opportunity to participate in the IRC §125 Plan it has established so long as such Plan continues to be authorized by the Internal Revenue Code.

f) Healthcare Cash Equalizer. MAP #159 members shall be paid a one time taxable payment of \$500.00 "healthcare cash equalizer" payable during the first pay period of January 2015.

## APPENDIX A

### Clarification of the Coordination of Police Disability Pension Application and the Village's Short-Term Disability Program, Ordinance 1189

\* \* \*

2. Village's Short-Term Disability Program (STD), Ordinance 1189.
  - ~~g. Employee has Village's Short-Term Disability form completed by treating physician.~~ **Employee applies for short-term disability on forms provided by the current short-term disability administrator.**
  - ~~h. A review of the form takes place and the STD benefit is approved. Typically this review process takes less than a week assuming that the documentation is complete and appears authentic.~~ **The claim for short-term disability is reviewed by the administrator and an approval determination is made and provided to the Village and the employee.**
  - i. Employee is paid 75% salary for a maximum of 52 weeks (12 months) per disability.
  - j. "Good time" for Police Pension purposes.
  - k. All employee deductions are taken from bi-weekly payroll.
  - l. At the end of the 52 weeks employee returns to work, runs out accruals, leaves employment, or becomes a Police Disability Pensioner (if applied for and approved).
3. Village STD Program and Police Disability Pension.
  - f. Employee applies for Village's STD program and Police Disability Pension at the same time.
  - g. STD is approved **within the STD administrator process** ~~a couple of weeks~~, Police Disability Pension is pending for several weeks/months.
  - h. Employee is paid 75% on Village's STD, time is considered "good time".
  - i. Disability Pension is approved 6 months into Village's STD program.
  - j. Disability Pension **begins on the date of its approval** in conjunction with Village's STD.
    - ix. Pension pays 50%, Village pays 50% on biweekly payroll for 2 months.
    - x. Pension pays 50%, Village pays 45% on biweekly payroll for 2 months.
    - xi. Pension pays 50%, Village pays 40% on biweekly payroll for remaining 2 months.
    - xii. This time is considered "bad time" for pension purposes.
    - xiii. Pension, state taxes are not taken from these payments. However, state taxes are taken from the bi-weekly payroll.

- xiv. Employee insurance premiums (at the employee rate) are taken from these payments. In addition any other deductions like deferred compensation, AFLAC etc. are taken from the Village portion on a priority basis.
- xv. At the end of the 12 months (which started at the beginning of the Village's STD Program) the employee is removed from the Village's biweekly payroll and is paid the 50% Police Disability Pension.
- xvi. The employee is now considered a Police Disability Pensioner and is no longer in an active employment status. They receive the 50% Police Disability Pension and are responsible for the full insurance premium to continue medical, dental, or vision coverage. Life insurance coverage is also cancelled at this time. Disability Pensioners can contact Fort Dearborn Life Insurance to determine the cost of converting the policy.

(Jt. Ex. 3A)

## **VI. STATEMENT OF FACTS**

### **A. Introduction**

This instant matter arises from a dispute between the parties regarding the Collective Bargaining Agreement (the "Contract") between the Village of Orland Park (the "Village") Police Department (the "Department") and Metropolitan Alliance of Police (the "Union"). The Contract is effective from May 1, 2011 through April 30, 2015.

The Village is situated approximately 26 miles southwest of Chicago in Cook and Will County. The Village was home to over 56,000 residents in 2010. There are 77 employees in the Bargaining Unit at issue in this Interest Arbitration.

The Union's main office is located in Bolingbrook, Illinois. The Union is involved in the representation of approximately 165 different law enforcement chapters for purposes of collective bargaining or legal defense and represents approximately 7,500 police officers in northeastern Illinois.

During the course of collective bargaining, the Union and the Village reached tentative agreements on all but 10 issues. These issues were bargained to impasse by the parties and mediation

took place prior to submission of the matter to Interest Arbitration. The parties tentatively agreed to a number of issues prior to and on the first day of the Interest Arbitration Hearing, and the remaining 10 issues were presented to me over the 3 Hearing dates of October 9, 2012, December 14, 2012 and March 7, 2013.

In addition to the officers, the Village has 4 other bargaining units, including Orland Park Police Supervisor's Association ("OPPSA") whose contract was effective May 1, 2011 and ratified in October 2012 ("OPPSA contract"), the International Brotherhood of Electrical Workers Local 134 ("IBEW") that consists of building department employees and has a contract effective May 1, 2011 that was ratified in August 2011, the International Union of Operating Engineers Local 399, which consists of clerical employees and has a contract effective May 1, 2011 that was ratified in December 2011, and AFSCME Local 368, which consists of public works employees and non-sworn police telecommunicators and has a contract effective May 1, 2011 that was ratified in December 2012. Additionally, the Village meets and confers with deputy chiefs and commanders, the Commanders Bargaining Unit. (Er. Ex. 4-9)

**B. Comparable Communities**

The Union has proposed the following comparable communities: Bartlett, Bolingbrook, Des Plaines, Elmhurst, Lombard, Oak Lawn, Oak Park, Plainfield and Schaumburg. The Village has proposed the following comparable communities: Skokie, Park Ridge and Wheaton. The Village challenges the inclusion of Bolingbrook and Schaumburg because they are significantly larger in population, debt and revenue than the Village. The Village challenges Plainfield because it has had rapid growth, has a higher median income, and has a smaller municipal workforce than the Village.

**C. The Village's Health Care Programs**

The Village self-insures its healthcare plans using a partially self-funded model, in which the Village assumes some of the risks for providing healthcare benefits to its employees. Generally, there are 3 cost components to a partially self-funded plan: (1) actual claims; (2) specific and aggregate reinsurance premiums; and (3) administrative costs. Under such a plan, an employer hires a third-party administrator to process claims and provide access to a health network, the employer pays the actual claims made by employees, and the employer typically purchases specific and aggregate stop loss insurance to mitigate risk for individual and overall high expense claims. The administrative and reinsurance costs are fixed and typically represent approximately 20% of the overall cost of a healthcare plan to an employer. The Village's administrative costs have been significantly lower than the typical 20%. Actual claims, however, are completely variable and are subject to the caps established by the stop loss plans purchased and are dictated by employees' plan use. Actual claims typically represent 80% of an employer's overall healthcare cost but have been closer to 90% for the Village.

During the term of the May 1, 2007 - April 30, 2011 contract between the parties (the "prior contract"), the Village experienced an increase in the cost of healthcare for its employees. Between 2009 and 2010, the Village experienced a greater than 35% increase in actual claims, rising from \$12,341 per employee per year to \$16,470 per employee per year, which continued into 2012. Under the 2007-2011 contract, the premium share for officers in the Bargaining Unit was fixed and the increase in healthcare plan cost was borne almost entirely by the Village. Additionally, in 2011, the Village's healthcare costs were almost 50% higher than those of the average state and local government plan.

**D. Work Day – Paid Off-Duty Lunch (Section 4.3)**

The parties disagree regarding whether officers should be provided with a paid, off-duty lunch. Under the prior contract, officers on each of their 3 schedules receive a half-hour unpaid off-duty lunch.

The Union seeks a change in the Contract which would provide officers with a half-hour paid off-duty lunch. The Village seeks to retain the *status quo* with an unpaid lunch. (Jt. Ex. 1)

Union President Officer Ron Ahrendt testified that the changes in the Union's proposal regarding lunch ensure consistency between the practice of the Department and the Contract. According to Ahrendt, officers are taking paid lunch, though they are not always off-duty because they respond to a call during lunch when needed. Approximately 37 senior officers submitted signed memoranda stating that it has been the Department's practice for 20 years for officers to receive a 30-minute paid lunch. (Tr. 34-35; Un. Ex. 7)

The OPPSA contract contains a provision that officers who work a 5 and 2 schedule will receive "... an unpaid off-duty lunch period if the employee desires of a minimum of thirty (30) minutes and a maximum of one (1) hour." (Er. Ex. 4)

The following comparable communities have paid lunches: Bartlett (12 hour shifts), Des Plaines, Elmhurst, Oak Lawn, Plainfield and Schaumburg. (Un. Ex. 7)

#### **E. Compensatory Time (Section 4.5)**

The parties' prior contract contained a provision that allowed officers to earn compensatory time ("comp time"):

Except as otherwise noted in Article 7.2, compensatory time at a time and one-half (1 1/2) rate may be granted at such times and in such time blocks as are mutually agreed upon between the involved employee and his supervisor. If mutual agreement on compensatory time cannot be reached, the employee shall receive 1½ times his regular rate of pay for overtime worked.

(Jt. Ex. 1)

Prior to 2008, officers, in the aggregate, used between 5,000 and 8,000 hours of comp time per year. Beginning in 2008, the Department issued a memo stating that it would no longer agree to comp time. As a result, officers have no longer been allowed to accrue comp time since 2008. (Tr. 171-172)

In response to the Department's action, the Union has proposed a change to Section 4.5 that would result in a 3-tier system for officers to accumulate comp time. First, officers may to earn up to 60 hours of comp time in lieu of overtime at their discretion. Second, officers with comp time between 60 and 120 hours could earn additional comp time at the discretion of the Chief of Police, as long as that discretion will not be unreasonably withheld; the denial of comp time can be grieved. Third, officers with more than 120 comp time hours could only earn more hours with the Village's approval.

The Village requests that the *status quo* be continued.

**F. Accumulation Of Sick Leave Days (Section 10.3)**

The parties disagree regarding the number of sick leave days that officers shall earn in each year they work. The Union seeks a change in the Contract which would provide officers with 12 sick leave days. The Village seeks to retain the *status quo* of 8 sick leave days. (Jt. Ex. 1)

Regarding the comparable communities, Bartlett, Des Plaines, Elmhurst, Lombard, Oak Lawn and Schaumburg allow employees to accumulate sick leave at the rate of 1 day per month. Oak Park allows 13 days per year for sick leave accumulation. Skokie provides 8 days per year. (Er. Ex. 23; Un. Ex. 9)

Within the Village, all other Village employees receive 8 sick leave days per year. Regarding the use of sick leave by officers, during the time period from January 1, 2012 through December 2, 2012, less than 25% of the officers had used 8 or more sick leave days. Seven officers used between 9 and 12 sick leave days. Of all officers, 85% had accumulated 8 or more sick days, more than 70% had more than 16 days, and about 60% had more than 24 days. Only one officer had a zero balance. (Er. Ex. 21, 22)

The Village has proposed to retain the *status quo*.



**G. Wages For 2011 (Section 13.1)**

The parties have agreed on a new wage schedule for officers, contained in Appendix B of the Contract. However, the parties disagree on the wage increase for 2011. The Union seeks a 2.5% increase, while the Village proposes a 1.0% increase. Under the prior contract, which was ratified in June 2008 and was effective May 2007, the officers received a 3.9% wage increase each year.

During 2011, the Village had an operating surplus, a credit rating of AA+, and offered a \$2.5 million tax rebate program to residents. The Village's 2011 Annual Report stated that the Village was "Fiscally Sound." As a result, in 2012, the Village hired 2 new police officers and a new full time administrative assistant. The Village also undertook significant capital improvement projects in 2010, 2011 and 2012. At the same time, during 2011, the Village experienced increased healthcare costs, while officers were locked into premium rates from the prior contract. (Un. Ex. 6)

Regarding comparable communities, the following chart provides the percentage wage increase that officers in those villages received in 2011.

<b>Municipality</b>	<b>Contract Effective Date</b>	<b>Percentage increase for 2011 over 2010</b>
Bartlett	May 1, 2009	2.0%
Bolingbrook	May 1, 2009	1.5%
Des Plaines	Interest Award of March 16, 2012	1.75%
Elmhurst	Not available	
Lombard	Interest Award of August 14, 2012	1.75%
Oak Lawn	January 1, 2011	1.0%
Oak Park	January 1, 2011	2.0%
Plainfield	May 1, 2010	2.0%
Schaumburg	May 1, 2008	4.0%
Tinley Park	May 1, 2008	4.0%

(Er. Ex. 32, 33; Un. Ex. 10)

**H. Educational Incentive (Section 13.9)**

Section 13.9 of the Contract provides for an Educational Incentive to officers who are pursuing a Bachelor's or Master's degree. The final offers of the Union and Village differ with respect to the increases for Bachelor's degrees for 2014 and Master's degrees for 2012 and 2013. The following chart provides the amounts the Union and Village have proposed, along with the amount provided in the OPPSA contract.

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bachelor's Degree	Union: \$2,600	Union: \$2,600	<b>Union: \$2,800</b>
	Village: \$2,600	Village: \$2,600	<b>Village: \$2,700</b>
	OPPSA: \$2,400	OPPSA: \$2,400	<b>OPPSA: \$2,600</b>
Master's Degree	<b>Union: \$3,200</b>	<b>Union: \$3,200</b>	<b>Union: \$3,400</b>
	<b>Village: \$3,100</b>	<b>Village: \$3,100</b>	<b>Village: \$3,200</b>
	<b>OPPSA: \$3,000</b>	<b>OPPSA: \$3,000</b>	<b>OPPSA: \$3,200</b>

(Jt. Ex. 3A, 3B; Er. Ex. 4)

Regarding the comparable communities, the communities that provide this incentive do so at a rate lower than the proposals, except for Elmhurst, which provides up to \$2,500 per year. (Un. Ex. 12)

**I. Retiree Health Benefit (Section 15.2(a))**

Retired officers may participate in the Village's Select HMO Plan. Under the prior contract, the Village paid 100% of the cost of premiums for retired officers. Spouses could participate in the HMO Plan, but were required to pay the premiums.

The Village has proposed to require retirees to pay the same premium for the HMO Plan as employees. The Union's proposal would apply this requirement only to officers who join the Department after the date the Contract is ratified or the date of this Interest Award. Under the Union's proposal, current retirees and current employees who retire in the future would not be required to pay the HMO Plan premiums as individuals. However, their spouses and dependents would continue to pay the premiums.

Regarding internal comparables, the OPPSA accepted the Village's proposal. Regarding external comparable communities, Bartlett, Bolingbrook, Oak Lawn, Plainfield and Schaumburg provide 100% coverage to their retirees. (Un. Ex. 14)

**J. Employee Health Benefit – Employer Contribution (Section 15.2(b))**

The parties have agreed to the employee premiums for all of the healthcare plans, with the exception of the PPO Gold Plan with a Wellness Program for the 2015 plan year. The Union seeks lower premium amounts than those proposed by the Village. Regarding internal comparables, the OPPSA, the Commanders Bargaining Unit and AFSCME have the same premium rates as those proposed by the Village.

The following chart provides the premium rates the officers in other communities pay for healthcare coverage. Where more than one premium is listed, more than one plan is offered:

Village	PPO Premium/month
Bartlett	\$306.00
Bolingbrook	\$41.20
	\$100.19
	\$131.86
	\$157.67
Des Plaines	\$30.03
	\$38.19
	\$81.00
	\$93.70
Elmhurst	\$233.74
Lombard	\$162.34
	\$262.17
Oak Lawn	\$364.00
Oak Park	\$237.04
	\$273.48
Plainfield	\$92.65
	\$153.55
Tinley Park	\$146.00

(Un. Ex. 15)

The following chart provides the premium sharing percentage for the officers in comparable communities:

Village - Silver PPO (2015)	7-8%
Village - HDHP (2015)	1-2%
Village - Gold Plan (2015 Village Proposal)	14-18%
Bartlett PPO (2011/2012)	15%
Bolingbrook PPO 1 (2012)	8.4-18.1%
Bolingbrook PPO 2 (2012)	7.0% - 16.1%
Bolingbrook PPO 3 (2012)	5.4% - 15.8%
Bolingbrook PPO 4 (2012)	2.3% - 5.1%
Des Plaines PPO 1 (2012)	10%
Des Plaines PPO 2 (2012)	10%
Des Plaines PPO 3 (2012)	5%
Des Plaines PPO 4 (2012)	5%
Elmhurst PPO (2012)	13%
Lombard PPO (2011-2012)	10% - 29.7%
Lombard PPO Plus (2011-2012)	10% - 20.4%
Oak Lawn PPO (2012)	20%
Oak Park PPO (2012)	15.0%-17.4%
Oak Park Legacy PPO (2012)	15.0% - 17.5%
Plainfield PPO 1 (2011 w/ Wellness)	16.6%

Plainfield PPO 2 (2011 w/ Wellness)	12.0%
Tinley Park PPO (2011)	6.8% - 7.1%
Skokie PPO (2012)	12%
Park Ridge PPO (2011)	10%
Wheaton PPO (2012)	11%

(Un. Ex. 15, Er. Ex. 23, 24, 26, 27, 29, 30, 32, 33)

**K. Wellness Program Screening Requirement (Section 15.2(c))**

Each of the health insurance coverage choices that the Village provides to officers has an option that allows officers who participate in a Wellness Program to have lower monthly premiums. Wellness Program participants must undergo an on-site health screening, paid for by the Village. Under the Village's proposal beginning January 1, 2013, employees who choose not to participate in the employee health screening for that plan year will not be eligible for the discounted rates.

The Union seeks to add language to the Contract which would allow an employee to be excused from the Wellness screening if "good cause is shown as to why the affected employee was unable to participate." The Village has rejected this proposal.

**L. Co-Pays For HDHP Plan (Section 15.2(d))**

One of the insurance plans the Village offers to officers is a high-deductible health plan ("HDHP Plan"). Under the HDHP Plan, employees are responsible for all healthcare expenses up to the deductible amount, \$2,500 for single coverage and \$5,000 for family coverage. The Village provides seed money equal to 40% of the deductible. After the deductible has been met, the HDHP Plan provides coinsurance based on the terms of the HDHP Plan. Additionally, the out-of-pocket maximums are \$5,590 for single and \$11,900 for family. The HDHP Plan requires no premium sharing by employees until 2015, which is estimated to be 1% for family coverage and 2% for other coverages. (Er. Ex. 11)

The Village proposes that in 2014 and 2015 part of that coinsurance include co-payments on emergency room visits (\$150 per visit) and prescription drugs (\$0 or \$20 or \$40 per prescription). The Union seeks to keep these co-pays at \$0 for the Contract's term. (Jt. Ex. 3A, 3B)

**M. Short-Term Disability Administration (Appendix A – Ordinance 1189)**

Appendix A to the Contract clarifies Village Ordinance 1189, which sets out the Short-Term Disability Benefit ("STD") provided to officers. The parties agreed to modify certain language to make more explicit that the STD administrator will perform certain tasks. However, the parties disagree on one phrase in Section 2(b):

The claim for short-term disability is reviewed by **[Village: administrator] [Union: third party medical administrator]** and an approval determination is made and provided to the Village and the employee.

(Jt. Ex. 3A, 3B)

**VII. POSITIONS OF THE PARTIES**

**A. The Union**

**1. Work Day – Paid Off-Duty Lunch (Section 4.3)**

The Union contends that officers are entitled to a 30-minute paid off-duty lunch. According to the Union President Ronald Ahrendt and a memorandum signed by 37 senior officers, it has been a long-standing practice of the Department for officers to receive a 30-minute paid lunch. The Union contends that officers are not "off-duty" when eating their lunch because they are not allowed to turn off their radios or allowed to leave the Village boundaries. (Tr. 36-37; Un. Ex. 7)

The Union also contends that the OPPSA also receives a paid lunch and the Union's proposal contains identical language to the OPPSA contract. Based on this internal comparable, the officers should receive a paid, off-duty lunch. (Er. Ex. 4; Tr. 38-39)

Similarly, the external comparable communities support the Union's position. Communities that offer paid lunches include Des Plaines, Elmhurst, Oak Lawn, Plainfield and Schaumburg, and additionally Bartlett for those employees working 12-hour shifts.

As a result, the Union contends that I should accept its proposal regarding paid lunches.

## **2. Compensatory Time (Section 4.5)**

The Union seeks to require the Village to allow the officers to have comp time. The Union's proposal would allow officers to earn up to 60 hours of comp time in lieu of overtime at their discretion. Officers with comp time between 60 and 120 hours could earn additional comp time at the discretion of the Chief of Police, as long as that discretion will not be unreasonably withheld; the denial of which could be grieved. Officers with more than 120 comp time hours could only earn more hours with the Village's approval.

The Union contends that there is a 20-year past practice in the Department to allow officers to earn comp time. Ahrendt testified that prior to 2008, the process for earning and using comp time was at the officer's discretion, with no limit, though it was manpower dependent, and could not cause overtime. Officers could not cash out comp time for actual dollars. (Tr. 48; Un. Ex. 8)

The Union contends that its proposal addresses the Village's concern that officers will accumulate too much comp time while allowing officers to earn up to 120 hours of comp time. The Union also contends that officers should be allowed to earn comp time because their days off are often used up by attending court.

The Union contends that its proposal will not have an impact on the Department's minimum staffing levels. The Village failed to provide any evidence that allowing officers to earn comp time will have an adverse effect on the staffing levels. Similarly, the Village failed to demonstrate that an officer's ability to accrue comp time would be an unfunded liability to the Village. Additionally, the administration of officer time cards will not create a problem because it is not difficult to review them for comp time.

The Union contends that the external comparable communities support its proposal. The Union used Tinley Park's contract as a model. Additionally, the following communities allow officers to earn 100 or more hours of comp time: Elmhurst (100 hours); Bolingbrook (120 hours); Plainfield (160 hours); Oak Lawn (180 hours); Oak Park (280 hours) and Lombard (no limit). According to the Union, there are no external comparable communities that do not allow an officer to accrue or use comp time.

Finally, the Union contends that the OPPSA contract is not a useful comparable. The OPPSA's decision to remove comp time from its contract should not be considered because the language eliminated was different from the language at issue here. The OPPSA contract contained no limits or a requirement of Village approval for earning comp time. Additionally, those employees have the right to arbitrate mandated changes in the work schedule, while the instant Bargaining Unit does not. OPPSA also received a stipend in lieu of overtime.

### **3. Accumulation Of Sick Leave Days (Section 10.3)**

The Union's proposal seeks to increase sick leave accumulation from 8 days to 12 days per year. According to the Union, its proposal should be accepted because it is consistent with the number of sick days provided to officers in comparable communities. According to the Union, 12 days per year is the standard comparable of neighboring municipalities. For example, Bartlett allows sick leave pay at the rate of 1 day for each full month of continuous employment up to a total of 12 full days for a continuous



work year. Des Plaines, Elmhurst, Lombard, Oak Lawn and Schaumburg also allow employees to accumulate sick leave at the rate of 1 day per month. Oak Park allows 13 days per year for sick leave accumulation. (Un. Ex. 9)

The Union asserts that because the Village has failed to present any evidence or testimony to support its proposal, I must award the Union's proposal regarding sick time accumulation.

#### **4. Wages For 2011 (Section 13.1)**

Regarding retroactive wages for 2011, the Union seeks a 2.5% increase, while the Village proposes a 1.0% increase. According to the Union, the top pay of most the external comparable communities in 2011 was above the 1.0% increase that the Village has offered. During the recession, the officers in the Bargaining Unit received a 3.9% raise across the board. Further, the Survey of Professional Forecasters' information supports a higher wage increase. (Tr. 150; Er. Ex. 18)

The Union also contends that the Village has the funds to provide a 2.5% wage increase for 2011. It is uncontested that the Village had an operating surplus in Fiscal Year 2011 and offered a \$2.5 million tax rebate program to residents. The Village's 2011 Annual Report stated that the Village is "Fiscally Sound" and the Village received reaffirmation of its high credit rating of AA+ from Standard & Poors. The Village also made significant capital improvements in 2010.

In 2012, the Village Board members authorized the use of a budget surplus to hire 2 new police officers and create a new full time Administrative Assistant to the Village Manager position. Each position costs the Village approximately \$95,000 per year in salary and benefits.

As a result of the Village's strong economic position and the external comparables, the Union contends that officers should receive the 2.5% wage increase for 2011.

**5. Educational Incentive (Section 13.9)**

Section 13.9 of the Contract provides for additional payments to officers who are pursuing a Bachelor's degree or a Master's degree. The parties disagree on the amount of the payment. For 2012 and 2013, the Union seeks \$3,200 for officers seeking a Master's degree, while the Village has offered \$3,100. Additionally, for 2014, the Union seeks \$2,800 for officers pursuing a Bachelor's degree, compared to \$2,700 for the Village, and \$3,400 for officers pursuing a Master's degree, compared to \$3,200 for the Village. (Un. Ex. 12)

According to the Union, its proposal seeks the same level of benefits that the Village gave to OPPSA. The Union asserts that because the Village has failed to present any evidence to contradict this internal comparable, I must award the Union's proposal. (Er. Ex. 4)

**6. Retiree Health Benefit (Section 15.2(a))**

The prior contract covered 100% of retiree healthcare premiums. The Union's proposal seeks for that benefit to continue for current retirees and current employees. However, employees hired after the date of ratification or this Interest Arbitration Award will be required to pay the employee premium contribution rate. Additionally, the Union's proposal limits retiree spouses and dependents and retired officers who leave the State of Illinois, to the Select Plan (HMO) coverage, for which they must pay the monthly premium contribution rate. The Union notes that its proposal is identical to the OPPSA contract, except that the additional payments are applied only to future hires. (Tr. 65; Un. Ex. 14)

The Union contends that this proposal fairly limits the benefits to future officer hires. It also incorporates the past practice in which senior officers were informed that they would receive this benefit.

Additionally, the Union contends that the external comparable communities support its proposal. Bartlett, Bolingbrook, Oak Lawn, Plainfield and Schaumburg all provide 100% coverage for their retirees. (Un. Ex. 14)

**7. Employee Health Benefit – Employer Contribution (Section 15.2(b))**

The parties have agreed to the employee premiums for all of the healthcare plans, with the exception of the PPO Gold Plan with Wellness for the 2015 plan year. All other premiums are identical to the premiums paid by OPPSA members. The Union seeks lower premium amounts for PPO Gold Plan with Wellness Program in 2015, so that a top officer would be paying the same percentage as that of a top supervisor. (Tr. 66; Un. Ex. 15)

According to the Union, the 2015 premiums are higher than premiums of officers in the comparable communities for HMO or PPO Plans, with the highest PPO family plan premium at \$364 in Oak Lawn. (Un. Ex. 15)

Additionally, the Union contends that the Village did not provide any underlying documentation as to how the Village forecasted insurance premiums for the next several years. The Village has failed to present any evidence to support any reason for such a dramatic increase of employee contributions.

Finally, regarding internal comparables, the Union contends that while the Village is attempting to have all collective bargaining unit employees pay the same premiums amounts, the Village is disregarding the past practice of the Department, which had lower premiums than other employees.

The Union asks that I accept its proposal on healthcare costs.

**8. Wellness Program Screening Requirement (Section 15.2(c))**

The Contract includes a new Wellness Program. Officers who participate in the Wellness Program will have lower monthly premiums. Wellness Program participants must undergo an on-site

health screening, paid for by the Village. Under the Village's proposal beginning January 1, 2013, employees who choose not to participate in the employee health screening for that plan year will not be eligible for the discounted rates.

The Union seeks to add the following language, displayed in bold: "Failure to obtain a screening by that date will result in the loss of the discounted rate, **unless good cause is shown as to why the affected employee was unable to participate.**" The Union seeks this language to protect officers who cannot participate due to issues beyond his control.

**9. Co-Pays For HDHP Plan (Section 15.2(d))**

The Union's proposal seeks to maintain no co-pays for prescription drugs and emergency room visits in 2014 and 2015. Under the Village's proposal, once the annual deductible is met, participants are required to pay a \$0/\$20/\$40 co-pay on drug prescriptions and a \$150 per visit co-pay on emergency room visits, up to the out-of-pocket limit. Instead, the Union's proposal contains the following provision: "Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health plan." (Jt. Ex. 3B)

The Union contends it would be a significant expense for officers to pay these co-pays. Because the Village has failed to justify this out-of-pocket expense, the Union argues that I should reject the Village's proposal and accept the Union's proposal.

**10. Short-Term Disability Administration (Appendix A – Ordinance 1189)**

The Union contends that its proposal clarifies the short-term disability ordinance to ensure that any claim for short-term disability is reviewed by the plan administrator or third party administrator.

**B. The Village**

**1. Work Day – Paid Off-Duty Lunch (Section 4.3)**

Regarding the Union's proposal to amend Section 4.3 of the Contract to provide that officers shall receive a 30-minute paid off-duty lunch period, the Village contends that the current language that the hours of work for officers shall include a "... one-half (1/2) hour unpaid off-duty lunch period" should be maintained. (Jt. Ex. 1)

Regarding past practice, the Village agrees that it has for many years permitted police officers to work through their lunch periods, take a short break for lunch if possible, and be compensated for that time. For instance, Officer Ahrendt testified that he currently could schedule a lunch and occasionally does so. However, the Village contends that there is no practice to offer paid, off-duty lunches to officers. The Village contends that Officer Ahrendt's testimony shows that the *status quo* is for officers to not be paid for off-duty lunch:

Q. The contract currently says an unpaid off-duty lunch period, is that an accurate reflection of the current status quo?

A. The off-duty troubles me because there is no way that if there was a robbery or anything and I was on a lunch period, I don't think the chief would find it acceptable to say, hey, look, I'm off-duty so I can't respond.

(Tr. 35)

The Village contends that if I were to accept the Union's proposal, officers would have the absolute right to take a 30-minute lunch completely off-duty during the course of each shift, and would have the right to grieve if not allowed to do so.

Additionally, the Village contends that the OPPSSA contract does not provide for an off-duty lunch. Rather, the contract states: "The eight (8) hour work day shall include eight (8) hours of work and an unpaid off-duty lunch period if the employee desires of a minimum of thirty (30) minutes and a maximum of one (1) hour." (Er. Ex. 4)

Thus, the Village contends that granting the Union's proposal would allow it to obtain in Interest Arbitration what it could not at the bargaining table. Because this is an economic issue and I am

restricted to selecting between the parties' final offers regarding the issue of hours of work, I must choose either the Village's offer to maintain the current contract language or the Union's offer to make a change that does not comport with past practice. The Village contends that because the Union has failed to meet its burden of demonstrating a need for the change proposed in its final offer, the Village's final offer should be accepted.

## **2. Compensatory Time (Section 4.5)**

First, the Village contends that the Union's proposal should be rejected as it contains a typographical error regarding the levels at which officers may accumulate comp time, with the word "eighty" in text, following by the number "60." When the Union presented its proposal on the first day of the Interest Arbitration, the Union explained that it was seeking to establish a cutoff at 60 hours. Then, on the second day, the Counsel for the Union clarified that the number 60 should be 80. Because this is an economic issue and I am statutorily required to "... adopt the last offer of settlement which, in the opinion of the arbitration panel, more nearly complies with the applicable factors ...," the Village contends that this mistake in the Union's written proposal prevents me from adopting its offer. (5 ILCS 315/14(g)). (Tr. 188-189)

Second, the Village contends that the Union is seeking to alter the long-standing *status quo*. According to the Village, the Union failed to present any evidence demonstrating that the current contract language is broken. Because the parties have agreed that comp time requires the approval of the Village, the Union must accept that the Village can withhold its consent.

The Village contends that it has not been granting comp time to officers in the past few years because of manpower concerns. Officers already receive up to 48 days of paid time off per year. There

has been a reduction in the number of available officers as a result of military leaves. Further, the Department is always at risk of officers being injured. As demonstrated by Union Rebuttal Exhibit 1, the Village has dropped below the minimum staffing level set out in the Village's General Order. Therefore, the Village asserts that it is extremely difficult to approve comp time requests.

Third, the Village contends that because comp time may only be used by officers when it does not result in overtime, the Union's proposal will result in officers having comp time that they will not be able to use. The Village asserts that it has had issues fulfilling requests from officers for other types of time off under the prior contract due to officers being on military leave.

Fourth, the Village contends that implementing the Union's proposal would be administratively difficult. Officers fill out their timecards on a 2-week basis. The Village contends that a supervisor deciding to grant comp time would not have up-to-date records if an officer requested comp time several times during a 2-week period. The Village contends that because the Union's proposal fails to address this administrative issue, it should not be accepted.

Fifth, regarding the middle tier of the Union's proposal, which allows the Village discretion in granting comp time between 60 and 120 hours, the Village contends that such discretion will inevitably lead to grievances.

Sixth, regarding internal comparables, both the OPPSA and Commanders Bargaining Unit eliminated their comp time provisions in their latest contracts. Thus, even with the Village's proposal, the officers are in a better position than their superiors.

Finally, the Village contends that the external comparable communities do not have a 3-tiered comp time systems. Rather, both Des Plaines and Lombard have provisions that require mutual assent.

### **3. Accumulation Of Sick Leave Days (Section 10.3)**

The Village contends that the Union failed to show why a change in sick leave days is needed, and therefore, I should accept the Village's final offer of keeping the current Contract language. The Village notes that the only basis for the Union's argument in favor of increasing sick leave days is that officers in other municipalities earn more sick leave than those employed by the Village.

The Village contends, however, that the increase is not needed by the Bargaining Unit members. The Village's undisputed evidence showed that officers are not using all of their sick leave. Additionally, every other employee in the Village also receives 8 sick days per year.

Because the Union failed to provide any basis for changing the *status quo*, the Village asserts that its final offer should be selected.

#### **4. Wages For 2011 (Section 13.1)**

Regarding wages, the Village first contends that a 1.0% wage increase for 2011 is appropriate because the Village had to bear significant healthcare costs for officers that year, due to the premium rates set in the prior contract and the rise in costs. Because the parties were not able to negotiate an agreement in the 2011 plan year, the Village did not achieve any healthcare cost savings from officers in the first year of the Contract. According to the Village, using an officer base wage of \$75,346, the officers saved an average of 3.5% in 2011 by paying the prior contract's premium rates versus the 2012 plan year premium rates.

Second, the Village contends that the internal comparables support its proposal. Both the OPPSA and the Commanders Bargaining Unit accepted the same healthcare benefits and 1.0% wage increase that the Village has offered the Union. Additionally, the other bargaining groups and the non-union employees all accepted lower 4-year wage increases than the officers are receiving.

Third, the Village contends that the Consumer Price Index (CPI) supports its increase. Regarding the prior contract, which was executed in June 2008, the officers received a compounded 16.5% wage



increase from 2007 to 2011 (3.9% each year), while the compounded total for CPI was 6.7% (or, alternatively, 8.2% when comparing May 2007 to April 2011) in the same time period. Regarding the time period for the current Contract, the Village provided the following chart to illustrate the wage offers and CPI.

**Wage Offers Compared to CPI**

<b>Contract Year</b>	<b>Change in CPI</b>	<b>Village Offer</b>	<b>Union Offer</b>
2011-2012	1.8% (Actual)	1.0%	2.5%
2012-2013	1.9% (Est. 2012)	2.5%	2.5%
2013-2014	2.2% (Est. 2013)	2.5%	2.5%
2014-2015	2.3% (Est. 2014)	2.5%	2.5%
Compounded Total:	8.45%	8.77%	10.38%

(Er. Ex. 18)

Fourth, the Village contends that external comparables should not be used. However, even if they were used, the Village's proposal is in line with what municipalities are providing in the post-recession time period. Interest Arbitration awards in Lombard, Des Plaines, and Park Ridge all resulted in less than a 2.5% yearly wage increase.

Finally, regarding the Union's contention that the Village has money to pay officers because it has made other capital improvements during the same time period, the Village contends that simply because the Village has the ability to pay does not justify higher wages.

**5. Educational Incentive (Section 13.9)**

First, the Village contends that the educational incentive offered by the Village is a rare benefit. Many of the comparable communities do not offer an educational incentive, and none offer an incentive greater than the Village. (Tr. 63; Un. Ex. 12)

Second, the Village contends that its proposal provides an increase of the benefit to the officers and narrows the gap that arose during the expired contract between the educational incentive for police officers and police supervisors. The Village contends that its offer is more reasonable and should be accepted.

**6. Retiree Health Benefit (Section 15.2(a))**

First, the Village contends that the benefits of current retirees are not a mandatory subject of bargaining. As a result, the Arbitrator should not consider the impact on current retirees in this Interest Award.

Second, the Village contends that its proposal seeks to have retirees contribute to the HMO Plan, just as current employees are now required to do. Under the prior contract, neither current employees nor retirees paid any premium for participating in the HMO Plan, except those in the family plan. Now that all officers in the HMO Plan must pay a premium to participate, the Village asserts that retirees should also pay.

Third, the Village contends that the Union's proposal of requiring only employees who are hired after the date of ratification or interest award and then retire will delay implementation of this plan change for decades, at a high cost to the Village.

Last, the Village contends that because the OPPSA and Commanders Bargaining Unit both accepted this requirement, not applying the same requirement to currently employed officers would provide them a disincentive to seek promotion, so that he or she could receive free healthcare benefits during retirement.

**7. Employee Health Benefit – Employer Contribution (Section 15.2(b))**

The dispute here involves the employee premiums for the PPO Gold Plan with Wellness Program for the 2015 plan year, with the Union seeking a lower premium amount than the amount proposed by the Village.

First, the Village contends that healthcare is not a breakthrough issue. The Village is not seeking to eliminate a current benefit or introduce a new contract provision. Rather, the Village is attempting to adjust its healthcare program to address the rising costs of healthcare for all of its employees.

Second, the Village contends that the internal comparables support its position. The OPPSA, the Commanders Bargaining Unit, and AFSCME have all accepted the same healthcare terms. Additionally, the Village's non-union workers and its IBEW group have a similar healthcare plan with a few more onerous provisions.

Third, the Village rejects the Union's argument that officers should pay a lower premium because they make less money than supervisors. The Village asserts that the salary of individual employees does not impact the Village's healthcare costs. Additionally, the AFSCME employees received lower wages than the officers, yet pay the same premiums.

Fourth, the Village contends that it has done significant research and analysis of its healthcare costs and its actuaries and consultants are in a better position than the Union to perform such calculations. At the Hearing, the Village presented sufficient evidence to support its healthcare plans.

Fifth, the Village contends that the external comparables are not helpful to this analysis because the employee premiums do not necessarily reflect the municipalities' costs. For the Village, actual claims account for 90% of the Village's cost, which may not be the case in other municipalities. Additionally, the Village contends that its premium sharing percentages are lower than the comparable communities for its HMO and Silver PPO Plans, and about average for the Gold PPO Plan.

Finally, the Village contends that it is offering as part of its healthcare plan to pay a \$500 healthcare cash equalizer to police officers in January 2015. The healthcare cash equalizer essentially is a cash bonus paid to employees. If an officer were to apply the \$500 to the monthly premium share for the PPO Gold Plan, the proportional contribution for officers would be lower.

**8. Wellness Program Screening Requirement (Section 15.2(c))**

The Village contends there is no reason to provide a “good cause” exception for failure to participate in the screening that is required for the Wellness Program. Officers who miss the on-site screening have 30 days to get screened elsewhere, thus giving officers the second chance that the Union seeks. Additionally, any employee with good cause, like an employee on FMLA Leave or USERRA Leave, would be protected under the relevant law. Other Village employee groups have not had an issue complying with this requirement. The Village contends that this incentive is needed to get officers to participate in the Wellness Program, and the Union’s proposal would unnecessarily weaken it.

**9. Co-Pays For HDHP Plan (Section 15.2(d))**

The Village contends that its proposal for participants in the HDHP Plan to pay drug prescription and emergency room visit co-pays once the annual deductible is met is fair. The Village’s proposal seeks to have participants make co-payments on emergency room visits and prescription drugs because these 2 areas have been more likely to be overused. Once the out-of-pocket maximum is met, the employee has no further obligation to pay for in-network care.

Additionally, the Village contends that the Union’s proposed language on this issue is contradictory because for emergency room benefits it states both that they will be subject to the \$150 co-pay and that they will be paid 100% by the Village health plan. The Village argues that because the

Act requires me to select one of the parties' final offers, I cannot accept the Union's proposal because it is internally contradictory.

**10. Short-Term Disability Administration (Appendix A – Ordinance 1189)**

The Village rejects the Union's proposal to add the phrase "third-party medical" before "administrator" in Section 2(b) of Appendix A. The Village counters the Union's assertion that this modification is needed to clarify the term "administrator" because Section 2(a) of the modified Appendix requires that employees apply for benefits on forms provided by "... the current short-term disability administrator." Because the term "administrator" in section 2(b) clearly refers back to the current short-term disability administrator referenced in section 2(a), there is no need to add this wording. Additionally, the Village contends that the Union's proposal limits the Village to the use of a third-party medical administrator for the short-term disability plan; a requirement not contained in the expired contract. As a result, the Union has not proved this change is needed. (Tr. 83; Jt. Ex. 1; Jt. Ex. 3B)

**VIII. DISCUSSION AND FINDINGS**

**A. Introduction**

After a review of all of the evidence, stipulations, exhibits, testimony, pre-Hearing briefs and all of the factors contained in Section 14(h) of the Act, of the 10 issues at hand, I have accepted 2 of the Union's proposals and 8 of the Village's proposals, as follows:

Issues For Which The Union's Offer Is Accepted:	Issues For Which The Village's Offer Is Accepted:
2) Compensatory Time 6) Retiree Health Benefit	1) Paid Off-Duty Lunch 3) Accumulation Of Sick Leave Days 4) Wages 5) Educational Incentive 7) Employee Health Benefit 8) Wellness Program Screening Requirement 9) Co-Pays For HDHP Plan 10) Short-Term Disability

## **B. Analysis**

As noted above, the ten issues before me are as follows, and I address each in turn:

- 1) Paid Off-Duty Lunch
- 2) Compensatory Time
- 3) Accumulation Of Sick Leave Days
- 4) Wages
- 5) Educational Incentive
- 6) Retiree Health Benefit
- 7) Employee Health Benefit
- 8) Wellness Program Screening Requirement
- 9) Co-Pays For HDHP Plan
- 10) Short-Term Disability

### **1) Work Day – Paid Off-Duty Lunch (Section 4.2)**

The preliminary analysis for this issue involves whether the Union's proposed changes to Section 4.3 qualify as a relatively minor change in the *status quo* of existing benefits, requiring a lower burden of proof, or whether the Union's proposal constitutes a new or dramatically changed benefit that would be considered a breakthrough issue, requiring a heightened standard of proof.

In Illinois it has been longstanding that the party seeking to change an existing provision of a contract bears the burden of proving the need for the change. In cases in which the requested change is to improve the *status quo* of an existing benefit, such as an increase in pay or amount of vacation time, arbitrators require a burden of proof that demonstrates that the change is preferable or more equitable,

based on the factors identified in the Act. *Village of Oak Brook and Illinois F.O.P. Labor Council*, Case No. S-MA-09-017 (McAlpin, 2011). Conversely, where the requested change seeks to create an entirely new or a significant change in a benefit or procedure, arbitrators apply a higher standard, or a breakthrough analysis, before the IPLRA Section 14(h) factors are considered. “The traditional way of conceptualizing Interest Arbitration is that parties should not be able to obtain in Interest Arbitration any result which they could not get in a traditional collective bargaining situation.” *City of Burbank and Illinois Fraternal Order of Police Labor Council*, Case No. S-MA-97-056 (Goldstein, 1998).

As established in *Will County Board and Sherriff of Will County*, Case No. S-MA-88-09 (Nathan, 1988) and *City of Burbank*, arbitrators typically apply a 3-factor test that a party must meet in order to demonstrate that a major change in the *status quo* is needed:

- 1) the old system or procedure has not worked as anticipated when originally agreed to;
- 2) the existing system or procedure has created operational hardships for the employer or equitable or due process problems for the union; and
- 3) the party seeking to maintain the *status quo* has resisted attempts to bargain over the change (i.e., refused a *quid pro quo*).

*City of Burbank*, Case No. S-MA-97-056 (Goldstein, 1998).

With these principles in mind, the arbitrator considers, “... what the parties may have reasonably agreed to if they had been successful in compromising and settling the open issues.” *Wood Dale Fire Protection District and Wood Dale Professional Fire Fighters Ass'n*, S-MA-07-260, at 33 (Winton, 2008).

I have carefully considered the record in this case regarding this issue, including all of the evidence and arguments that have been forwarded by the parties. I find that the Union’s proposal to provide a paid off-duty lunch to officers is a breakthrough issue. I find that the Union is attempting to

significantly change the *status quo* in the Department, rather than simply modifying an existing benefit. I disagree with the Union that this is a minor change in existing benefits. Rather, it will result in a major change to the pay and workday of the officers.

First, the Union did not present evidence to show that the current system for officers' lunches has not worked as originally anticipated and agreed upon. Union President Ahrendt testified, and the Union submitted 37 statements written by senior officers to support that the Union's proposed changes conform to the practice of the Department. Officer Ahrendt also testified that officers are not always off-duty during lunch, and would respond to a call, if necessary. Thus, I find that while there is some evidence that officers are taking lunches during their shift, the record is not clear that they are being consistently paid to take lunch while off-duty.

Second, there is no evidence that the current lunch situation has created equitable or due process problems for the Union. The sergeants in the Department have an unpaid lunch. The OPPSA contract contains a provision that officers who work a 5 and 2 schedule will receive "... an unpaid off-duty lunch period if the employee desires of a minimum of thirty (30) minutes and a maximum of one (1) hour." As a result, there is no significant equity issue; effectively, the officers are treated similarly to their superiors.

Third, the Union has not presented any evidence that the Village, as the party seeking to maintain the *status quo*, has resisted attempts to bargain over the change. The Village has participated in all of the bargaining. The Union presented no other evidence at the Hearing regarding this factor. Therefore, I cannot find that the Union has proven that it should receive the breakthrough proposal that it seeks regarding paid lunch. I agree with the Village that granting the Union's proposal would allow it to obtain in Interest Arbitration what it could not at the bargaining table. This is an economic issue and I am therefore restricted to selecting between the parties' final offers. Because the Union has not proven that this major change in *status quo* is needed, the Village's final offer is accepted.



## **2) Compensatory Time (Section 4.5)**

For this issue, the Union seeks a change to the system by which officers earn comp time. Under the present system, officers are entitled to the benefit of comp time, but have not been receiving it because the Village has had a policy of not approving comp time since 2008. I find that this is not a breakthrough issue. The requested change does not seek to create an entirely new or a significant change in a benefit or procedure. Rather, the Union seeks to return to the *status quo* that existed before the Village instituted the no comp time policy. Further, the Union's proposal to have 3 tiers of comp time addresses the Village's concern that officers may accumulate too much comp time.

The external comparable communities support the Union's proposal. As noted above, 7 communities allow officers to earn 100 or more hours of comp time. There are no external comparable communities that do not allow an officer to accrue comp time or bar the use of comp time.

Regarding the internal comparable of the OPPSA contract, while that bargaining unit has since agreed to remove comp time from its contract, the OPPSA contract contained no limits or a requirement of Village approval for earning comp time. As a result, the OPPSA Bargaining Unit structured comp time differently than that of the Union.

Based on all of these factors, the Union's proposal is more reasonable and compliant with the Act and therefore, the Union's offer is accepted.

## **3) Sick Leave Days (Section 10.3)**

Regarding this issue, the Union seeks a change in the Contract that would provide officers with 12 sick leave days, while the Village seeks to retain the *status quo* of 8 sick leave days. I have carefully considered the record in this case regarding this issue, including all of the evidence and arguments that have been forwarded by the parties. I find that the Union's proposal to provide officers with 4

additional sick leave days is a breakthrough issue. This would be a dramatic change in the *status quo* to the sick leave structure of the Department.

Regarding the 3-factor test for breakthrough issues, the Union has not been able to prove that any of the 3 factors have been met here. First, there is no evidence that the system of 8 sick leave days per year has not worked as originally anticipated. The evidence shows that most officers are not using all of their sick leave days each year, and only 1 officer has a zero balance of sick leave days at the time of the Hearing. During the time period from January 1, 2012 through December 2, 2012, less than 25% of the officers had used 8 or more sick leave days. Seven officers used between 9 and 12 accumulated sick leave days. Additionally, 85% of officers had 8 or more days in their sick leave balance, more than 70% had more than 16 days, and about 60% had more than 24 days. Because the Union has not demonstrated a need for more sick leave days, this factor is not met.

Second, there is no evidence that the sick leave day structure has created equitable or due process problems for the Union. The evidence shows that all Village employees receive 8 sick leave days. The Union has not demonstrated why officers should be entitled to more than their fellow employees both within and outside of the Department.

Third, there is no evidence that the Village has resisted attempts to bargain over the change. The Village has participated in all of the bargaining. The Union presented no other evidence at the Hearing regarding this factor. As a result, I agree with the Village that granting the Union's proposal would allow it to obtain at Interest Arbitration what it could not at the bargaining table. This is an economic issue and I am therefore restricted to selecting between the parties' final offers on this issue. Because the Union has not proven that this major change in *status quo* is needed, the Village's final offer is accepted.

**4) Wages For 2011 (Section 13.1)**

Regarding wages, the parties disagree on the wage increase for 2011. The Union seeks a 2.5% increase, while the Village proposes a 1.0% increase. After considering the Wage proposals of both parties, I find that the appropriate wage increase for 2011 shall be 1.0%.

There are a number of factors that are commonly used when reaching wage determinations in Interest Arbitrations in Illinois, including external comparables, internal comparables, and the CPI. In the instant case, I have reviewed all 3 factors, and have ultimately decided that the best approach is to rely upon a combination of the internal comparables and CPI.

I note that the external comparables provide limited assistance in resolving this issue. The comparable municipalities operate on a variety of contract cycles, which may or may not have taken into account the recession. The 2 municipalities with 4.0% wage increases in 2011 became effective in May 2008, prior to the recession. The 4 municipalities with contracts that became effective in 2011, or later due to Interest Arbitration Awards, provided the following wage increases for 2011: Des Plaines, 1.75%; Lombard, 1.75%; Oak Lawn 1.0%; and Oak Park 2.0%. Using just these 4 municipalities, the wage increase would fall somewhere between the instant parties' proposals.

The internal comparables support the Village's proposal. Both the OPPSA and the Commanders Bargaining Unit have the same contract term as the Union. Both groups accepted the same healthcare benefits and 1.0% wage increase that the Village has offered the Union. Additionally, the other bargaining groups and the non-union employees all accepted lower 4-year wage increases than the Village's offer to the Bargaining Unit.

Additionally, the CPI supports the Village's proposal. The relevant data below regarding the CPI is from the Survey of Professional Forecasters, which is affiliated with the Federal Reserve Bank of Philadelphia and is considered the oldest quarterly forecasters of economic trends in the United States. The American Statistical Association and the National Bureau of Economic Research began conducting

the survey in 1968, and in 1990, that responsibility was assumed by the Federal Reserve Bank of Philadelphia. The following chart illustrates the wage offers and CPI:

**Wage Offers Compared to CPI**

<b>Contract Year</b>	<b>Change in CPI</b>	<b>Village Offer</b>	<b>Union Offer</b>
2011-2012	1.8% (Actual)	1.0%	2.5%
2012-2013	1.9% (Est. 2012)	2.5%	2.5%
2013-2014	2.2% (Est. 2013)	2.5%	2.5%
2014-2015	2.3% (Est. 2014)	2.5%	2.5%
Compounded Total:	8.45%	8.77%	10.38%

I find that the Village's proposal falls approximately equidistant between the actual CPI for 2011 and the Union's proposal.

Based on the totality of the evidence, including the CPI, external comparables, internal comparables, and all of the relevant statutory factors, I have determined that the Village's proposal is more consistent with the requirements of the Act. Therefore, the wage increase for 2011 shall be 1.0%. The Village's proposal is accepted.

#### **5) Educational Incentive (Section 13.9)**

At issue is the amount of the Educational Incentive provided to officers who are pursuing a Bachelor's or Master's degree. The following chart provides the amounts the Union and Village have proposed, along with the amount provided in the OPPSA contract:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
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Bachelor's Degree	Union: \$2,600	Union: \$2,600	<b>Union: \$2,800</b>
	Village: \$2,600	Village: \$2,600	<b>Village: \$2,700</b>
	OPPSA: \$2,400	OPPSA: \$2,400	<b>OPPSA: \$2,600</b>
<b>Master's Degree</b>	<b>Union: \$3,200</b>	<b>Union: \$3,200</b>	<b>Union: \$3,400</b>
	<b>Village: \$3,100</b>	<b>Village: \$3,100</b>	<b>Village: \$3,200</b>
	<b>OPPSA: \$3,000</b>	<b>OPPSA: \$3,000</b>	<b>OPPSA: \$3,200</b>

Regarding the comparable communities, the external communities that provide this incentive do so at a lower rate than the proposals, except for Elmhurst which provides up to \$2,500 per year. It should be noted that for 2009 and 2010, the Bargaining Unit's Educational Incentive was greater than that of OPPSA. However, as noted above, both the Village and Union proposals exceed the amount provided to OPPSA.

I find that this is an issue that the parties should resolve through the negotiations, not through an Interest Arbitration Award. The Union has not proven why this increase in the Education Incentive benefit beyond the already increased offer proposed by the Village is necessary. Further, both the external and internal comparables support the Village's position. As a result, the Village's proposal is accepted.

#### **6) Retiree Health Benefit (Section 15.2(a))**

At issue is the Village's proposal to require retired officers who participate in the Village's Select HMO Plan to pay premiums for that coverage, just as employee participants in the HMO Plan are now required to do. The Union's proposal would apply this requirement only to officers who join the Department after the date the Contract is ratified or the date of this Interest Award. Under the Union's

proposal, current retirees and current employees who retire in the future would not be required to pay the HMO Plan premiums as individuals. However, their spouses and dependents would continue to pay the premiums.

I note that there are 3 distinct groups of officers at issue. First, there are those officers who are currently working and have not yet retired. The second group consists of retired officers who, at the time of their retirement, had a contractual commitment of free healthcare through the HMO Plan. The third group consists of officers who have not yet joined the Department.

I note that there is a disagreement as to whether there is legal authority for requiring currently retired officers to contribute towards their healthcare premiums. I have determined that I need not reach this issue because as discussed below, the Award regarding Retiree Health Benefits will be limited to those officers who have not yet joined the Department.

The evidence shows that healthcare costs are rising at a rate that clearly exceeds inflation. The parties agree that there must be a change to address this situation. For current employees, particularly those near retirement age, the Village's proposal would eliminate a benefit that they could have reasonably expected and anticipated. The type of change that the Village is proposing directly impacts current and retired employees who may reasonably have relied upon the Contract's provision for retiree healthcare to make personal decisions regarding their future. Such a significant modification to an essential benefit is not the type of change that Interest Arbitration was intended to resolve. Rather, I find that whether current employees should contribute to their healthcare premiums after they retire is an issue that should be dealt with through bargaining. Regarding future employees, the Union's proposal would eliminate free healthcare for future hires.

Thus, it is appropriate to allow those employees who are currently working or currently retired to continue to have their healthcare paid for after retirement. However future employees will be

required to make contributions to healthcare during retirement. Thus, current employees and current retirees will not be affected.

As a result, the Union's proposal is accepted.

**7) Employee Health Benefit – Employer Contribution (Section 15.2(b))**

At issue is the cost of the premiums for the PPO Gold Plan with Wellness Program for the 2015 plan year. The Union seeks lower premium amounts than those proposed by the Village. Here, the appropriate factors for me to consider are the internal comparables and external comparables. I have reviewed both of these factors.

First, regarding internal comparables, the evidence shows that OPPSA, the Commanders Bargaining Unit and AFSCME have the same premium rates as those proposed by the Village. The other employee groups participate in different health plans.

Second, regarding external comparables, the premium sharing percentages for Bargaining Unit members are lower than the comparable communities for the Village's HMO and Silver PPO Plans. As to the Gold Plan, a number of the comparable communities' health plans show comparable sharing percentages. Further, I note that the cost of the plan are significantly lower when the Wellness Program is factored into the cost equation.

Further, in 2015, the Village will provide all officers with a \$500 cash payment, the Healthcare Cash Equalizer, to offset healthcare costs. This subsidy will offset the cost of the Gold Plan.

Based on the totality of the circumstances, including the above-mentioned discussion regarding internal and external comparables, as well as the Healthcare Cash Equalizer, the Village's Proposal is more reasonable. As a result, the Village's proposal is accepted.

**8) Wellness Program Screening Requirement (Section 15.2(c))**

At issue is the requirement that those employees who choose to include the Wellness Programs with their healthcare plan must undergo an on-site health screening to receive the discounted rates. The Union seeks to add language to the Contract that would allow an employee to be excused from the Wellness screening if “good cause is shown as to why the affected employee was unable to participate.”

I agree with the Village that the Union has not proven that this provision is needed to protect officers who participate in these plans. Officers who miss the on-site screening have 30 days to obtain screening elsewhere, giving officers a second chance to meet the program’s requirement. Further, employees whose circumstances are most likely to prevent participation in the screening within that time period, such as those on FMLA Leave or USERRA Leave, are protected under the relevant statutes. Additionally, there is no evidence that other Village employee groups have had any issues complying with this requirement.

As a result, the Village’s proposal is accepted.

**9) Co-Pays For HDHP Plan (Section 15.2(d))**

At issue is the Village’s proposal to require co-pays for prescription drugs and emergency room visits in 2014 and 2015. The Village’s proposal is accepted. The crux of the Union’s argument is that the co-pays will add an expense for officers enrolled in the HDHP Plan. However, when viewing the internal comparables, this same expense is born by all of the Village workers with access to the HDHP Plan. Additionally, in 2015, the Village is providing officers with a \$500 cash payment to offset healthcare costs. Thus, any officer who chooses to enroll in the HDHP Plan can consider this amount when making this choice.



Additionally, while the Village has argued that the Union's proposed language is contradictory, I have determined that the Union intended that officers should not have to pay for the prescription and emergency co-pays in 2014 and 2015. Based on the record, I have determined that the contradiction in the Union's proposal is in error.

Based on the evidence as discussed above, I find that the Village's proposal is more reasonable and therefore, the Village's offer is accepted.

**10) Short-Term Disability Administration (Appendix A – Ordinance 1189)**

Regarding the issue of whether the term "third-party medical administrator" or "administrator" shall appear in section 2(b) of Appendix A, the Village's proposal to include only the term "administrator" is accepted. I note that regarding this issue, the parties have agreed to all other changes to Appendix A; only this term is in dispute.

Section 2(a) of the Appendix requires that employees apply for benefits on forms provided by "the current short-term disability administrator." I agree with the Village that the term "administrator" in section 2(b) refers to "the current short-term disability administrator" referenced in section 2(a). As a result, the Union's proposed language does not provide any clarification to the terms. Rather, by introducing a new term, "third-party medical administrator", which does not appear elsewhere in Appendix A, the Union's proposed language could lead to unnecessary confusion.

Therefore, the Village's proposal is accepted.

## VII. **AWARD**

The Arbitrator notes that this is an Interest Arbitration in which all issues identified by the parties are economic. Pursuant to the Illinois Public Labor Relations Act (the "Act"), the Interest Arbitrator may only select one party's proposal regarding each issue. The Interest Arbitrator may not reach any solution other than one of the proposals offered by the parties.

After a review of all of the evidence, stipulations, exhibits, testimony, pre-Hearing briefs and all of the factors contained in Section 14(h) of the Act, of the 10 issues at hand, I have accepted 2 of the Union's proposals and 8 of the Village's proposals, as follows:

<b>Issues For Which The Union's Offer Is Accepted:</b>	<b>Issues For Which The Village's Offer Is Accepted:</b>
2) Compensatory Time 6) Retiree Health Benefit	1) Paid Off-Duty Lunch 3) Accumulation Of Sick Leave Days 4) Wages 5) Educational Incentive 7) Employee Health Benefit 8) Wellness Program Screening Requirement 9) Co-Pays For HDHP Plan 10) Short-Term Disability

Therefore, for reasons stated in this Opinion and Award, the Arbitrator finds that the following shall be incorporated into the May 1, 2011 – April 30, 2015 Contract between the parties:

### **1) Section 4.3. Changes in Normal Work Week and Work Day.**

#### **The Arbitrator Selects the Village's Proposal - Status Quo**

(a) It is the Village's intent to maintain the work day and work week in effect on the effective date of this Agreement for the Patrol Division. Such schedule consists of six (6) eight hour (8) and twenty five (25) minute days consecutively worked and three (3) days off consecutively. Each eight (8) hour and twenty five (25) minute shift shall consist of the following: A twenty-five (25) minute roll call period at the beginning of each shift; seven and one half (7 1/2) hours of regular duty and one-half (1/2) hour unpaid off-duty lunch period. According to this schedule, each officer is on the job a total of 40.55 work weeks per year for a total of 243 days of work or 2046.15 hours. The balance of 33.85 hours (2080 hours – 2046.15 hours) shall be used as scheduled by the Chief of Police for training sessions and shall be conducted under the

current departmental policy concerning training as ten (10) three and one-half (3 1/2) hour training sessions, as agreed.

(b) Five (5) Day, Nine (9) Hour Work Schedule -- In the event of a determination by the Village to depart from the current work schedule during the term of this Agreement, the Village shall give special consideration to a departmental work schedule of consecutive five (5) nine (9) hour days with three (3) consecutive days off. Such a nine (9) hour day shall include a period of time designated for the purpose of roll call instruction, a one-half (1/2) hour off duty period for lunch, if available, and appropriate breaks in service as necessary. Utilizing such a schedule would render the Village 2052 hours of service. The remaining twenty-eight (28) hours due to the Village shall be allocated in seven (7) four (4) hour sessions and would be conducted under the current departmental policy concerning training.

(c) Five and Two Schedule -- The department currently and regularly assigns certain officers to a work schedule consisting of five (5) eight (8) hour days consecutively worked and two (2) days off consecutively. In using this schedule, officers assigned shall work a total of 52 work weeks a year for a total of 260 work days a year or 2080 hours scheduled. The eight (8) hour work day shall include a one-half (1/2) hour unpaid off-duty lunch period.

\* \* \*

## **2) Section 4.5. Compensatory Time.**

### **The Arbitrator Selects the Union's Proposal**

At the Employee's option, overtime, including the time and one-half premium pay earned on holidays worked and pay for each holiday, along with regular overtime assignments, may be accumulated as compensatory time due, calculated at the overtime rate in lieu of pay. This discretion shall be subject to the following:

7. All officers covered by this agreement who currently have accumulated compensatory time hours in excess of one hundred twenty (120) hours shall not be afforded the discretion to earn additional compensatory time.
8. All officers covered by this agreement who have at least sixty (60) hours of compensatory time, but not in excess of one hundred twenty (120) hours of compensatory time currently accumulated in their compensatory time banks, shall be allowed to earn compensatory time at the discretion of the Chief of Police or his designee. Such discretion shall not be unreasonably withheld.

9. All officers who have less than sixty (60) hours currently accumulated in their compensatory time bank shall, at that officer's discretion, be allowed to earn compensatory time in lieu of overtime pay.

All compensatory time earned from whatever source may be earned and accumulated to a maximum of one hundred twenty (120) hours. A maximum of one hundred twenty (120) hours shall be allowed to be carried over from year to year. All officers covered by this agreement who currently have in excess of one hundred twenty (120) hours shall have an exemption to this Memorandum and shall be considered "grandfathered" and allowed to carry over additional hours in excess of one hundred twenty (120).

Compensatory time off may only be used in time blocks of a minimum of four (4) hours with a minimum of twenty-four (24) hours notice of the request for such use. The number of hours and minimum notice may be waived by written approval by the Chief of Police or his designee.

The parties agree that compensatory time off is subject to the manpower requirements of the Department and shall be granted on a first come first served basis.

\* \* \* \*

3) Section 10.3. Days Earned in Accumulation.

**The Arbitrator Selects the Village's Proposal - Status Quo**

An employee shall earn sick leave at the rate of eight (8) days per year in any year in which the employee works.

\* \* \* \*

4) Section 13.1. Wage Schedule.

**The Arbitrator Selects the Village's Proposal - 1% increase for 2011**

Employees shall be compensated in accordance with the wage schedule attached to this Agreement and marked Appendix B.

The pay range (top, bottom, and intervening steps) for the employees are set forth in Appendix B.

## Appendix B

	2010	5/1/2011	5/1/2012	5/1/2013	5/1/2014
		1.00%	2.50%	2.50%	2.50%
80% Of step 1	\$ 48,909.72				
step 1	\$ 61,137.15				
step 2	\$ 64,144.15				
step 3	\$ 67,296.91				
step 4	\$ 70,612.09				
step 5	\$ 74,089.99				
step 6	\$ 77,745.56				
step 7	\$ 81,850.79				

\*

\*

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\*

### 5) Section 13.9. Educational Incentive.

#### **The Arbitrator Selects the Village's Proposal**

- (a) Employees who have attended an accredited college or university and received credit for hours attended shall receive an educational incentive as follows;

For All Employees (Effective 5/1 of each contract year):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bachelor's Degree	\$2,500	\$2,600	\$2,600	\$2,700
Master's Degree	\$3,000	\$3,100	\$3,100	\$3,200

\*

\*

\*

\*

## Section 15.2 Cost.

### **6) 15.2(a) The Arbitrator Selects the Union's Proposal**

The Village and the Association agree that the Village shall pay the cost of the premiums for the insurance coverage provided by § 15.1 of this Agreement as follows:

#### **a) Select Plan (HMO) –**

Employees who retire after 20 years of service and at 50 years of age or older:

Retired individual – 100% effective 5/1/99 except that for employees hired after the date of ratification or arbitration award the 100% shall be reduced for future retirees by the employee premium contribution rate as outline in Section 15.2(b).

Retiree's spouse and dependents – shall be entitled to be enrolled and the retiree shall pay 100% of the additional premium cost for such coverage. The retiree shall pay all premium costs due directly to the Village Finance Department. Except that for employees hired after the date of ratification or arbitration award the 100% shall apply the current monthly premium for single Select Plan (HMO) (less the monthly premium contribution rate) coverage to the retired employee's medical plan of choice currently offered by the Village.

IF AN OFFICER LEAVES THE STATE OF ILLINOIS AFTER RETIREMENT AND THERE ARE NO HMO INSURANCE BENEFITS AVAILABLE TO THAT OFFICER, THE AFFECTED SHALL RECEIVE A MONTHLY PAYMENT EQUAL TO 100% OF THE THEN CURRENT MONTHLY PREMIUM FOR SINGLE HMO COVERAGE. Except that for employees hired after the date of ratification or arbitration award the benefit for relocated retirees shall be reduced by the then current monthly premium for single Select Plan (HMO) coverage.

#### **b) Employee Premium Sharing**

### **7) 15.2(b) The Arbitrator Selects the Village's Proposal**

Plan participants providing for individual and/or family coverage shall contribute toward monthly premium costs through payroll deductions in amounts not to exceed the following:

		w/wellness		w/wellness		w/wellness	
	5/1/2011	1/1/2013	1/1/2013	1/1/2014	1/1/2014	1/1/2015	1/1/2015
SELECT PLAN (HMO)							
SELECT EMPLOYEE	\$0.00	\$0.00	\$30.00	\$20.00	\$50.00	\$30.00	\$110.00
SELECT EMPLOYEE + CHILDREN	DNA	\$18.00	\$48.00	\$38.00	\$68.00	\$65.00	\$145.00
SELECT EMPLOYEE + SPOUSE	\$0.00	\$20.00	\$50.00	\$40.00	\$70.00	\$70.00	\$150.00
SELECT FAMILY	\$25.00	\$27.00	\$57.00	\$60.00	\$90.00	\$100.00	\$185.00
HDHP/HSA PLAN							
HDHP/HSA EMPLOYEE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$15.00	\$55.00
HDHP/HSA EMPLOYEE + CHILDREN	DNA	\$0.00	\$35.00	\$0.00	\$40.00	\$25.00	\$65.00
HDHP/HSA EMPLOYEE + SPOUSE	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$30.00	\$70.00
HDHP/HSA FAMILY	\$0.00	\$0.00	\$35.00	\$0.00	\$40.00	\$35.00	\$75.00
SILVER PLAN (PPO)							
PPO SILVER EMPLOYEE	DNA	\$55.00	\$125.00	\$55.00	\$135.00	\$65.00	\$155.00
PPO SILVER EMPLOYEE + CHILDREN	DNA	\$105.00	\$175.00	\$105.00	\$185.00	\$130.00	\$220.00
PPO SILVER EMPLOYEE + SPOUSE	DNA	\$110.00	\$180.00	\$110.00	\$190.00	\$135.00	\$225.00
PPO SILVER FAMILY	DNA	\$165.00	\$235.00	\$165.00	\$245.00	\$200.00	\$290.00
GOLD PLAN (PPO)							
PPO GOLD EMPLOYEE	\$85.00	\$95.00	\$180.00	\$95.00	\$190.00	\$175.00	\$285.00
PPO GOLD EMPLOYEE + CHILDREN	DNA	\$185.00	\$270.00	\$185.00	\$280.00	\$325.00	\$460.00
PPO GOLD EMPLOYEE + SPOUSE	\$170.00	\$195.00	\$280.00	\$195.00	\$290.00	\$340.00	\$475.00
PPO GOLD FAMILY	\$190.00	\$285.00	\$370.00	\$285.00	\$380.00	\$440.00	\$660.00

For plan years 2013, 2014, and 2015 an emergency room co-pay of \$150.00 will be applied to the Select and Gold plans.

For plan years 2013, 2014 and 2015 prescription co-pays for the Select and Gold plans are:

\$10 Generic

\$15 Brand when generic is not available

\$25 Brand if a brand prescription is purchased and a generic is available

c) Wellness Incentive (All Plans):

**8) 15.2 (c) The Arbitrator Selects the Village's Proposal**

1. The Village will conduct on-site health screenings scheduled by the Village on predetermined dates each calendar year for the employee. The Village will pay for the cost of the health screening for full-time employees. Beginning January 1, 2013, employees who choose not to participate in the employee health screening for that plan year will not be eligible for the discounted rates in that plan year.

2. If an employee is unable to participate in the health screening when they are held onsite, the employee will have 30 days post written notification that they have not completed the screening to obtain a health screening at one of the screening company's alternate locations. Failure to obtain a screening by that date will result in the loss of the discounted rate.

3. Employee premium rates will be administered assuming the discount will apply; upon confirmation of non-compliance with the wellness screening, discount removal will be applied retroactively to January 1 of the plan year.

d) HDHP/HAS

**9) 15.2(d) The Arbitrator Selects the Village's Proposal**

Annual Deductible:

For plan years 2011, 2012, 2013, 2014, and 2015 annual deductibles for the HSA will be:

EE:	\$2,500 per annum
EE + Spouse	\$5,000 per annum
EE + Child(ren)	\$5,000 per annum
Family	\$5,000 per annum

Employer contribution to HSA:

For those employees enrolled in the HDHP/HSA Plan, the Village will contribute an amount equal to 40% of the deductible associated with the employee's plan election in the employee's HSA for plan years 2012, 2013, 2014, and 2015. For plan years 2012, 2013, 2014, and 2015 the Village will make annual deposits no later than the second pay period in January of the respective plan year.



Prescription Drugs / Emergency Room Co-pays:

For plan years 2011, 2012, and 2013, the prescription drug benefit and emergency room costs will be subject to the annual deductible. Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health plan.

For plan years 2014 and 2015, the prescription drug benefit will again be subject to the annual deductible; however, once the deductible is satisfied prescriptions will be subject to a co-pay of \$0/\$20/\$40 or a model similar, as offered by the administrator at that time.

For plan years 2014 and 2015, emergency room benefit will again be subject to the annual deductible; however once the deductible is satisfied emergency room benefits will be subject to a \$150 co-pay after the deductible is satisfied. All co-pays and deductibles will be subject to a maximum annual out-of-pocket limit in the amount of \$5,950 per single coverage and \$11,900 per family coverage. \*This limit does not apply to deductible and expenses for out-of-network services if the plan uses a network of providers. Instead only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.

e) Section 125 Plan. The Village shall extend to members of the bargaining unit the opportunity to participate in the IRC §125 Plan it has established so long as such Plan continues to be authorized by the Internal Revenue Code.

f) Healthcare Cash Equalizer. MAP #159 members shall be paid a one time taxable payment of \$500.00 "healthcare cash equalizer" payable during the first pay period of January 2015.

APPENDIX A

**10) Short-Term Disability- The Arbitrator Selects the Village's Proposal**

Clarification of the Coordination of Police Disability Pension Application and the Village's Short-Term Disability Program, Ordinance 1189

\* \* \*

2. Village's Short-Term Disability Program (STD), Ordinance 1189.

- m. Employee applies for short-term disability on forms provided by the current short-term disability administrator.

- n. The claim for short-term disability is reviewed by the administrator and an approval determination is made and provided to the Village and the employee.
  - o. Employee is paid 75% salary for a maximum of 52 weeks (12 months) per disability.
  - p. "Good time" for Police Pension purposes.
  - q. All employee deductions are taken from bi-weekly payroll.
  - r. At the end of the 52 weeks employee returns to work, runs out accruals, leaves employment, or becomes a Police Disability Pensioner (if applied for and approved).
3. Village STD Program and Police Disability Pension.
- k. Employee applies for Village's STD program and Police Disability Pension at the same time.
  - l. STD is approved within the STD administrator process, Police Disability Pension is pending for several weeks/months.
  - m. Employee is paid 75% on Village's STD, time is considered "good time".
  - n. Disability Pension is approved 6 months into Village's STD program.
  - o. Disability Pension begins on the date of its approval in conjunction with Village's STD.
  - xvii. Pension pays 50%, Village pays 50% on biweekly payroll for 2 months.
  - xviii. Pension pays 50%, Village pays 45% on biweekly payroll for 2 months.
  - xix. Pension pays 50%, Village pays 40% on biweekly payroll for remaining 2 months.
  - xx. This time is considered "bad time" for pension purposes.
  - xxi. Pension, state taxes are not taken from these payments. However, state taxes are taken from the bi-weekly payroll.
  - xxii. Employee insurance premiums (at the employee rate) are taken from these payments. In addition any other deductions like deferred compensation, AFLAC etc. are taken from the Village portion on a priority basis.
  - xxiii. At the end of the 12 months (which started at the beginning of the Village's STD Program) the employee is removed from the Village's biweekly payroll and is paid the 50% Police Disability Pension.
  - xxiv. The employee is now considered a Police Disability Pensioner and is no longer in an active employment status. They receive the 50% Police Disability Pension and are responsible for the full insurance premium to continue medical, dental, or vision coverage. Life insurance coverage is also cancelled at this time. Disability Pensioners can contact Fort Dearborn Life Insurance to determine the cost of converting the policy.

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**Steven M. Bierig, Arbitrator**  
**January 1, 2014**