

BEFORE
JAMES R. COX
INTEREST ARBITRATOR

CITY OF QUINCY, ILLINOIS

AND

INTEREST ARBITRATION
2011 LABOR AGREEMENT

QUINCY FIREFIGHTERS
IAFF LOCAL 63

DECISION AND AWARD

The Hearing in this matter was conducted at Quincy City Hall July 11, 2011. Attorney Anthony Cameron represented the City of Quincy. Attorney Dale Berry presented the Firefighters's case. Following receipt of Transcript, Post-Hearing Briefs were submitted in early October. All procedural prerequisites for Interest Arbitration have been met.

My findings are based upon applicable factors set forth in Section 14(h) of the Illinois Labor Relations Act. While the City does not make an inability to pay argument, they stress the applicability of Section 14(h) (3) - "*The interests and welfare of the public and the financial ability of the unit government to meet those costs*". As of the date of the Hearing, the Bargaining Unit, which includes Lieutenants and Captains, consisted of Fifty Seven Firefighters. The Chief, two Deputy Chiefs and three Assistant Chiefs are excluded.

PRIOR AGREEMENTS

The Parties had a four year agreement covering 2005-2009, a period which included the 2007-2008 economic downturn. During Fiscal Year 2011 (May 2010 - April 2011) there was a single year agreement, essentially a status quo Contract without any wage increase¹. Presently there is agreement that

¹ The Union recognizes that, as in Quincy, there had been zero percent increases in two of the external communities, East Moline and Granite City, during 2010 but stressed that Firefighters in those towns

their new three year Agreement will run from May 1, 2011 through April 30, 2014. However, despite efforts to reach complete resolution of their differences, they remain at impasse on five economic issues. That dispute has been properly placed before me for final and binding determination.

IMPASSE ISSUES

1. Wages
2. Holiday Pay
3. Education Incentive
4. Sick Leave Accrual
5. Paramedics Limitations

COMPARATIVES

The City and IAFF Local 63 have agreed upon twelve external comparatives: Alton, Belleville, Carbondale, Collinsville, East Moline, East Peoria, Edwardsville, Galesburg, Granite City, Macomb, Normal and Peking. They rely upon data derived from Labor Agreements in some but not all of these communities.

In their presentation, Quincy referenced only 8 of the 12 comparatives - Alton, Belleville, Carbondale, East Moline, Galesburg, Macomb, Normal and Peking.² They did not consider (1) the Collinsville Contract which expires in December 2011 and contains 5% increases in both 2010 and 2011; (2) the Granite City Agreement which has raises in 2010, 2011 and 2012 of 0%, 2% and 2.5% respectively or (3) the East Peoria Labor Contract with its general increases of 2.90% for both 2010 and 2011. It is noteworthy that 2010 top base salaries in Collinsville (\$55,950), East Peoria (\$65,620) and Granite City (\$55,263) are markedly higher than in Quincy (\$52,403) and that the City's omission of data from those Units has a significant effect upon the computation of comparable averages and increases for those years. Data from the Edwardsville 2008/2012 Contract was not relied upon by either Party.

Of five internal comparable Units, only the Machinists have concluded bargaining a new 2011 Agreement. According to Quincy calculations, the aggregate first year increase in the Machinist Unit was 1.85% and is to be followed by raises the second and third years of 2.16% and 2.09%.

benefited through other economic improvements such as a change in the platoon system in East Moline and health insurance coverage in Granite City.

² Macomb is the closest to Quincy, about 65 miles away.

THE ISSUES

WAGES

Local 63 seeks a 2% increase for the 5/1/2011–4/30/2012 contract year; 2.5% in 5/1/2012 – 4/30/2013 and 3% for 5/1/2013 – 4/30/2014. The City offers a 1.5% increase each year. The Firefighters point out that, not only were there no wage increases for their Unit in the 2010-2011 Quincy Contract, but that increases in comparable Units in 2010 averaged 2.89%! It is clear that their relative wage position has retrogressed and that the 1.5% increase the City proposes for 2011/2012 would result in further deterioration of their position among comparable communities who provided an average increase of 2.68% that year - significantly greater than the 1.5% offered by Quincy and even larger than the 2% Local 63 seeks. Such increases were put into effect in seven of the eight comparable Units which reported settlements ranging from 1.50% in Macomb, with its remarkably low general fund level of \$8,400,000, to 5% in Collinsville and 4% in Belleville. While in 2010, like Quincy, there had not been any wage increases in Granite City and Macomb³, those municipalities settled for 2.00% and 1.5% in 2011.

From the limited data provided for 2012, there have been only four reported settlements; the average increase has thus far been 2.0%. The two reported settlements in comparable municipalities for 2013 show an average increase of 3.27%, just above Local 63's proposed 3%. Because of that limited sample, those results are of limited significance.

DISCUSSION

A Prospective View.

It appears that, were the City Final Offer adopted, not only would Quincy Firefighters Unit remain within the bottom tier of comparable Fire Departments but their relatively low salary positions would deteriorate further even within that segment.

Quincy's current average top base salary of \$51,375 in 2010 is already 4.7% lower than the average top base salary for comparable communities (\$53,778) ranking them eighth out of the eleven external comparable Departments listed. The Union asserts that, even were the 2% increase it proposes for 2011 granted, Quincy Firefighters would still lose ground, and would be paid 7.63% less than the average top base salary – that they would rank seventh among nine comparables with 2011 increases. If the City's proposed 1.5% increase were granted, Firefighters would fall 8.16% below the

³ As well as Quincy.

average top base line salary. Local 63 points out that, for the second and third years of the Agreement, Quincy Firefighter relative positions would fall further behind their counterparts in the other Units. As mentioned, because of the few settlements for those years, such a projection is not meaningful.

Addressing comparative wage levels of the Unit's Lieutenants and Captains, the Union stresses they would fall even farther behind first and second rank Supervisors in the comparable communities were the City's final offer adopted for even the first year. According to their calculations, the differential in pay between a Quincy Firefighter and a Quincy Captain is 5% less than the average differential between Firefighters and Captains in comparable Units. In Quincy, Captains are paid 16.36% more than Firefighters but the average spread in comparable municipalities is 21.85%! The Union stresses that the City's proposed first year increase would only aggravate a continuing wage compression problem – and figures show that the aforementioned differential has narrowed significantly since 2009.

In assessing the overall reasonableness of the Local 63 Wage proposal and comparative pay levels, I found important differences in movement through the salary schedule. In Quincy, Firefighters reach top base salary after five years of service while, among eleven comparable communities, top base salary is achieved - - on average -- after three years. Only in East Moline do Firefighters in any one of the eleven comparable Departments take longer than five years to progress to the top. Moreover, the evidence showed that in 2010, Quincy Firefighters worked slightly more hours than the average hours worked per year by their Counterparts and that their top base hourly rate was \$18.62, 11.76 % less than the average of Firefighters in the comparable group.

Quincy does not challenge Local 63's comparative representations. While the City acknowledges some favorable economic developments during the past few years including a continued rise in Quincy's EAV,⁴ their position on each of the unresolved issues is based upon an assertion that the City is in a difficult financial condition. The Arbitrator recognizes that, in recent years, there had been considerable belt tightening by both represented and unrepresented Quincy employees. However, dramatic cost controls have had a positive effect.

Ann Scott, City Comptroller and Director of Purchasing, testified that during fiscal year 2009, the City experienced a revenue reduction of \$1.2 million and in response, passed and implemented a Budget Reduction Ordinance which cut \$700,000 from the budget. To help achieve such savings a number of steps had been undertaken: all non-bargaining unit employees

⁴ EAV had increased 5%, \$26 million, in calendar 2009 and a property tax reduction is considered in 2011 by the City despite General Fund levels.

were required to take three unpaid furlough days⁵ saving approximately \$200,000; expenditures above \$500 were reviewed, a number of positions were eliminated with stated savings of \$380,000 and an early retirement incentive program was instituted. As a result, head count has been significantly reduced by twenty-two persons.

While Comptroller Scott focused upon Fiscal 2009 figures, March 3, 2011, following a review of City finances for years 2008–2010, an accountant retained by the Union noted that the City's unreserved Total General Fund Balance, despite a significant decline, still represented about 14% of General Fund Expenditures. There was no evidence of any liquidity problem and it was stated that, according to Moody's Investor Service, "*Generally, a fund balance of 5% of the budget is deemed prudent.*"⁶ That contention stands refuted. On the other hand, that same report recognizes that there had been a decline in the City's General Fund Balance, a 43% drop, and a reduction in the asset to liability ratio of 23.2% from FY2008 to FY2010. The City continued to have positive governmental fund balances and a positive asset to liability ratio.

Director of Human Services Doug Olson testified that during fiscal year 2011 unrepresented City employees had been granted the same 1.5% raise which the City has offered the Firefighters here. There is no evidence that economic conditions are any worse in Quincy than in comparable Municipalities and, in fact, there are recent positive signs. As of February 2011, a local newspaper quoted the Quincy Mayor as stating, "*We've had some really good things happen in this difficult time*" listing developments and, a few days later, publicly declared that conditions were so good that the City could lower property taxes!⁷ Such a move would reduce revenue. Real Estate Tax levels were already significantly low in Quincy despite what I find to be a relatively high EAV - 21% above the average comparable. Sales tax collections were 40% above the average and apparently would rise further according to the Mayor's estimate of projected increases. It is clear that the City revenue effort is not primarily based upon property tax where Quincy, despite its relatively high EAV advantage, received only \$624,000 compared to an average of \$7,344,830 in the comparable municipalities most of which have lower EAVs. The City is first in Home Rule taxes, more than 65% above average, but last in property tax collections and, according to the Mayor,

⁵ Firefighters voluntarily participated in the furlough program, a cost savings move which was not re-instituted in 2010-2011. There are no current plans to undertake such a cost reduction program in 2011-2012.

⁶ Alton (\$30,635,020) is the comparable with the most similarly sized General Fund. Two of this group are outliers - Macomb \$(8,400,000) and East Moline (\$9,735,930). Quincy with a 2010-2011 General Fund of \$30,296,185 ranks a close third behind only Alton (\$30,635,020) and Normal (\$48,940,118).

⁷ The importance of tax collections to the General Fund is clear.

there is to be an effort to reduce the levy 3%. Not only were his statements inconsistent with the City's portrayal of a financial squeeze at Arbitration but a revenue reduction would be unusual so soon after the cost cutting described by the Comptroller.

Having carefully considered the economic evidence made a part of this Record; I find insufficient evidence that the Cities' current financial condition precludes the sought wage adjustment which would allow this bargaining unit to keep pace with Fire Units in other communities. Clearly Quincy Firefighters currently have a compensation package significantly less than their counterparts in other municipalities. That status is reflected in City Exhibits.

City Exhibit Two shows that, among the group of 8 Comparable Cities they selected plus Quincy⁸, Quincy's starting wage is \$37,835 while the average starting wage among comparable municipalities including Quincy is \$41,991. Only Carbondale has a lower hire rate and it is only \$196.00 less than Quincy. The base wage in Quincy is \$51,375 while the average within the City selected group of 8 is \$53,119 with only Alton (\$51,069), Carbondale (\$46,313) and Macomb (\$48,848) paying less. The closest community to Quincy in terms of population numbers is Belleville which has a starting wage of \$45,178 and a base wage of \$55,806 compared with Quincy's \$37,835 and \$51,375. To reiterate, for purposes of their presentation, the City focused upon 8 of the 12 Comparable Communities, leaving out three communities from their calculations, cities which not only provide higher pay rates but whose settlements in the aggregate were greater than the Quincy offer here.

THE AWARD

Considering current financial conditions in Quincy as well as relative compensation of Firefighters in comparable Fire Departments and the differences between final offers, I find the Union's final proposal on this issue to be the most reasonable.

There shall be a 2% increase for the 5/1/2011-4/30/2012 Contract Year followed by a 2.5% raise in 5/1/2012 - 4/30/2013 and 3% for 5/1/2013 - 4/30/2014.

⁸Quincy Exhibit 2 sets forth the City's analysis of eight communities that it surveyed for comparative purposes - Alton, Belleville, Carbondale, East Moline, Galesburg, Macomb, Normal and Pekin.

THE HOLIDAY PAY ISSUE

Relevant Firefighter Holiday Pay language reads:

"11.1 HOLIDAY PAY SCHEDULE All bargaining unit employees shall receive forty-two and one-half (42.5) hours of holiday pay at the same time as accumulated sick pay each year and forty-two and one-half (42.5) hours of holiday pay at the same time as educational reimbursements each year. New employees shall receive compensation prorated, depending on date of hire."

The Union seeks an increase in Holiday Pay through providing Firefighters with pay at time and one half for nine listed Holidays. They would modify the Contract language to read:

"11.1 HOLIDAY PAY SCHEDULE Effective May 1, 2011, all bargaining unit employees shall receive premium pay in recognition of the below listed holidays. Premium pay shall be paid at the rate of 1.5 their straight time hourly rate:

<i>New Year's Day - January 1^s</i>	<i>Independence Day</i>
<i>Labor Day</i>	<i>Veterans Day</i>
<i>Presidents Day</i>	<i>Thanksgiving Day</i>
<i>Good Friday</i>	<i>Christmas Day</i>
<i>Memorial Day</i>	

Employees shall receive one-half the holiday pay due (54 hours) at the same time as accumulated sick pay each year and the second half of holiday pay due at the same time as educational reimbursement each year. New employees shall receive compensation prorated, depending on date of hire."

Holiday Pay would be computed using 108 hours. The City would maintain the status quo and continue to calculate Holiday Pay based upon 85 hours.

DISCUSSION

Firefighters Local 63 states that, while average Holiday compensation among comparable communities is \$1941.00 per year, Quincy's 85 hour holiday pay commitment is the equivalent of \$1606.00 per year, 20.84% less. If the status quo were to be maintained as the City proposes, that holiday pay differential would fall further below the average over the term of the Agreement. Firefighters seek an increase in the number of compensated holiday hours from the current 85 to 108. They contend that, even if they should obtain such an increase in Holiday Pay, Quincy would still rank fifth among nine external comparable cities for 2011 and correspondingly low in Contract years two and three.

Local 63 compares holiday pay Patrol Officers in the City of Quincy Police Department⁹ receive with that of the Firefighters. Firefighters acknowledge that Patrol Officers receive only 80 hours of holiday pay under Article VIII of their Agreement but assert that those Officers receive more than twice as much holiday compensation as Firefighters. Even though the average rate of pay for Patrol Officers is approximately nine dollars per hour greater than Firefighters, the Union stressed that Firefighters are paid less because Patrol Officers receive time and one half for hours actually worked on designated holidays and because Article IX of the Patrol Officers' Contract pays an Officer twelve hours straight time (or twelve hours compensatory time) for working the Friday after Thanksgiving, Presidents Day or Columbus Day. Such overtime opportunities are, however, conditional upon an Officer's schedule. He may be off duty on a Holiday. He may not work the Holiday. Moreover the Police Contract has thirteen Holidays - three more than in the Firefighter Agreement.

Local 63 points to what they see as other inequities - that unrepresented city employees receive 100 paid hours of holiday pay per year and that members of Machinists Local 822 are paid 108 hours of holiday pay. Firefighters' calculate their current holiday pay benefit to be 12.94% less than the average of the City's Police, Machinists and the generally lower paid non-bargaining unit employees.

Chief Henning provided the bargaining history for Section 11.1, language most recently negotiated in May 2003.¹⁰ Prior to that time Firefighters worked under a standard time and one half holiday pay system. Those who worked a holiday received time and one half and those who did not work were not entitled to Holiday pay. The Chief testified that in 2003 the Union sought to make Firefighters's earnings "*pensionable*" with an objective of enhancing their retirement benefits. Almost 9 years ago, the parties agreed that 85 hours was a reasonable estimate of the value of the then existing holiday provision. The City explains, "*that 85 hour figure is not a function of this many days or that many days. It was a function of dividing out the value of the overtime that was paid for the ten holiday days that were in the contract at the time....*". In addition, there was then a lower wage rate in effect. Thereafter each Firefighter received the same 85 hour holiday benefit, an essential condition of making holiday pay pensionable, regardless of how many holiday hours had actually been worked. As in most contracts, Firefighter Holiday Pay being tied to wages automatically increased over the years with subsequent hourly pay raises.

It is apparent that failure to adjust the fixed hour holiday pay benefit means that, among other factors, if the number of holidays were increased in

⁹ Patrol Officers Chapter, Policeman's Benevolent and Protective Association Labor Committee, Local Unit 12

¹⁰ The change went into effect May 1, 2003.

comparable Units, Firefighter Holiday Compensation in Quincy would lag. The Union proposal addresses this contingency by comparing current total Holiday compensation.

The Police Contract provides 13 Holidays. In that Agreement for 10 listed "*legal Holidays*", Officers are given "*80 hours pay in conjunction with their annual vacation*" - the equivalent of 8 hours straight time pay for each of those 10 holidays - and, if they work the three other Holidays, the Friday after Thanksgiving, President's Day or Columbus day, they may elect to receive 12 hours compensatory time or 12 hours straight time. They have 3 more holidays than Quincy Firefighters. If an Patrol Officer works one of the 10 legal holidays, the Officer is to be paid time and one half or may elect to take compensatory time.

Since 2003, Firefighters have had a significant advantage over external comparable Units - they receive a fixed holiday pay benefit irrespective of whether they work any holidays. Furthermore, there is a roll up factor in this bargaining unit not in play in any other external Unit, the increase in pension benefits. That roll up factor should be considered in evaluating comparative holiday pay benefits. There is no external comparable which pays holiday pay in this manner. There is no comparable with provides more than 11 Holidays Within the comparable group, the average number of holidays is 8.56.

THE AWARD

The Firefighter Unit attempts to achieve parity with Patrol Officers by increasing Holiday Pay based upon the equivalent of 13.5 holidays, or 108 hours of Holiday pay without an allowance for the pension increment, a proposal which would allow them to catch up on Holiday Pay in a single negotiation¹¹. Such a significant one time increase in numbers of holidays and holiday pay is unwarranted during these negotiations considering the wage increase on the effects on holiday pay and the pension factor. On this issue, in these circumstances, the status quo offer of Quincy is adopted as the most reasonable final position.

THE EDUCATIONAL INCENTIVE

Section 22.2 of the Labor Agreement provides an incentive for education advancement reading:

¹¹ See City of Burbank and Illinois FOP Labor Council, S-MA-97-56 (Goldstein, 1998) and Will County Board and Sheriff of Will County (Nathan, 1988), quoting Arizona Public Service, 63 LA 1189, 1196 (Platt, 1974); City of Aurora, S-MA-95-44 at pp. 18-20 (Kohn, 1995).

Employees covered by the agreement shall be compensated for the attainment of specific degree and certifications. Percentage base payments will be based on a sixth (6) year man's salary. Those degrees and certifications and the amount of compensation shall be as follows:

Annual Payments

Paramedic 4.5%
 Bachelor Degree 0.9%
 Associate Degree 0.6%
 E.M.T. .2%

One Time Payments

Apparatus Engineer \$200.00
 Firefighters III \$250.00

While currently the educational incentive consists of annual lump sum payments at the percentages set forth above, the Union proposes to increase these incentives from .9% to 3% for a Bachelor's Degree and from .6% to 2% for an Associate Degree. The City's final offer was to maintain the status quo as to all incentives in Section 22.2 except to add a new incentive of 1% for "first responders".

DISCUSSION

As of 2009, of the 12 Fire Departments the parties have designated as comparable, only 6 besides Quincy provide any stipend for education. While the Quincy Contract would grants \$308.26 toward an Associate Degree, only five provided a greater sum. Of five comparables who provided money for a BA that year, Quincy's \$462.38 stipend put them in fourth place. Only six of the eleven comparable municipalities provide an economic incentive to attain an Associate's Degree and but five of the eleven offer such an inducement to obtain a Bachelor's Degree. Not only is Quincy providing a benefit not available in most Fire Departments but they also offer Firefighters financial support with respect to textbook and tuition reimbursement. A review of their educational incentive program reveals important benefit differences.

In 2009, according to a "*premium stipend analysis for listed Subjects for Firefighters at top base wages*" Quincy provided a stipend of \$308.25 toward the AA Degree and \$462.38 for the BA Degree. Stipends granted by other Municipalities ranged from \$240.00 to \$2638.05, an average of \$762.93 in the case of the Associates Degree and from \$420.00 to \$2337.17, a \$557.95 average, toward a Bachelor's Degree. The averages were skewed by the high stipends provided by a few external municipalities, especially Galesburg.

Local 63 draws the Arbitrator's attention to an internal comparable. Article XXV of the PBPA Labor Agreement which sets forth the Educational Incentive for Quincy Police Officers. They have a reimbursement limited to

textbook expenses but, unlike Quincy, there is no tuition reimbursement program. However, for that Unit the City provides much more liberal educational incentives. Patrol Officers currently receive 3% Bachelors and 2% Associates Degree Education Incentives, the benefit level sought by Firefighters in this negotiation. Applicable Police Contract provisions read:

"Section 1. Any Officer pursuing a college degree at a regionally accredited college or university shall be compensated by the City for an amount equal to the amount charged the Officer as a book or text fee. The City at the successful completion of the course shall pay this to the Officer....." ¹²

Section 2. As long as an Officer is working toward a degree as explained in Section 1, he/she would receive incentives as a percent of wages as follows: 2.0% Associate Degree or 64 credit hours or 2 years of active duty military service with either an honorable discharge or continued active service in the National Guard or Reserves.

3.0% Bachelor's Degree or 124 credit hours.

3.5% Master's Degree or 30 graduate hours beyond Bachelors.

There may be no pyramiding of degrees or military service.

Comparing relative education benefits, while the City does not have an Educational Incentive for Firefighters nearly as generous as that granted Quincy Police Officers, it does have a broad program of educational reimbursement for textbook and duty related courses. While the tuition reimbursement is far from unconditional, Firefighters who take courses required for an Associate Degree in Fire Science Technology or a Bachelor's Degree emphasizing a fire science curriculum or related course approved by the Fire Chief may receive both tuition and textbook reimbursement. Although Textbook reimbursement is unrestricted, as mentioned, there is no tuition reimbursement under the Police Contract. Of the \$22,000 the Fire Department budgeted in fiscal year 2011 for tuition and books, \$3,000 was related to Paramedic Training.

¹² Officers must show that they are receiving assistance for books from no other source in order to receive reimbursement. Further, when accepting compensation pursuant to this Section, the Officer shall sign an agreement with the City that, in the event he/she voluntarily leaves the employ of the City within two (2) years of receiving compensation pursuant to this section, he/she will be liable for and agrees to repay from any final remuneration of any and all kinds that he/she receives from the City upon separation, the full amount of monies received in the prior two (2) years.

THE AWARD

Considering that relatively few comparable external Fire Departments have any Educational Incentive Program and that, of those that do, only five provide a greater stipend than Quincy for the Associates Degree and but four a higher stipend for the B.A. and that considering the Quincy Department does have, in addition to stipends provided, a generous duty related textbook and tuition reimbursement program, I find that the City of Quincy final offer on this issue to be more reasonable than the Union position. Considering these factors, there is insufficient evidence to support the Union proposal to raise the Firefighter education incentive stipends for the Bachelor's Degree and the Associate Degree to the levels in place for Quincy Patrol Officers or those of any external comparable.

SICK LEAVE ACCRUAL

Article IX, addressing "*Leaves of Absence*" provides for paid sick leave. In their effort to reduce costs without impacting benefits of existing employees, The City proposes that the Sick Leave Benefit be modified in two respects for new hires; a lower rate of accrual and a reduction in the number of unused sick days a Firefighter may carry over each year.

1. Currently Firefighters accumulate sick days at a rate of 1½ calendar days (12 hours) per month of service. The City's final offer proposes that employees hired after May 1, 2011 will accrue sick days at the rate of one calendar day (8 hours) per month of service.
2. While current employees shall continue to be compensated at the end of each fiscal year at the individual's hourly salary for any accumulated unused sick days over ninety, the City seeks that employees hired after May 1, 2011 be compensated at the end of the year at the employee's hourly rate for the number of unused sick days over sixty.

Under the proposed two tier concept, Firefighters hired before May 1, 2011 would continue to be entitled to accumulate 144 sick pay hours per year, (12 hours {1½ calendar days} x 12 months). Firefighters hired after May 1, 2011 could accumulate only 96 hours per year (8 hours {1 calendar day} x 12 months = 96). The evidence supports the Union contention and the outcome here turns upon the fact that Carbondale (where the accrual rate currently is 11 hours per month) is the only comparable municipality to provide fewer than 12 hours of sick pay accrual per month.¹³

¹³ Granite City defines accumulating as "one duty day" per month. A duty day appears to be 24 hours.

DISCUSSION

City Exhibit 2 contrasts Quincy Firefighters' current annual accrual of 144 sick pay hours with the average of the comparables. - 127 hours - asking for a modification of that benefit by establishing, for new hires, a lower rate of accrual and a limit of the number of unused sick days those Firefighters may carry over each year. The City stresses that sick pay tiering is in effect in both Carbondale and Normal.

The Union argues that citing Normal as support for the introduction of tiering was inappropriate in that the dual approach there arose out of the need to fund retiree health insurance benefits and sick leave was only a part of that solution. In that Agreement employees hired on or before May 15, 1978 accrue 16 hours each month to a maximum of 2160 hours and those employed thereafter may accrue only up to 1440 hours. There are also different buyback provisions depending upon date of hire, clearly a tiering situation.

An examination of the Carbondale Agreement reveals various stages of Sick Leave Accumulation. Up to May 1 1977, Sick Leave may be accumulated up to 20 hours per month but thereafter may only be earned at a rate of 12 hours per month although it may be accumulated indefinitely. It is further provided the sick leave accumulated or earned after June 30, 1985 shall be computed at the rate of 10 hours per month and that Sick Leave accumulated or earned after January 11, 1986 shall *"be computed at the rate of eleven hours of sick leave earned per month..."* . This is not the classic tiering situation proposed here where, as a Union Witness pointed out, depending upon date of hire, employees working side by side are entitled to different benefits.¹⁴

The rationale underlying the City's proposal regarding sick leave is essentially a need to cut back expenses. As the Chief stressed, Quincy's final positions on all five issues are based upon a *"fundamental need"* to control costs. He explained that sick pay is a greater cost factor for the City than vacations over time because the City must *"buy out"* unused accumulated days every year. The Arbitrator recognizes that buy-outs upon retirement are especially significant for all municipalities since computation is based upon then current pay. A Quincy Firefighter who recently retired received \$39,000 in unused sick pay, vacation time and other accruals. Moreover, the City states that, as a consequence of revisions in the Pension Plan, the City expects that Firefighters will work longer than previously and that retirement dates may be pushed back from age 50 to 55. The Chief asserts that both unused vacation

¹⁴ In the Pekin Agreement, a paid sick day is shown as a day accumulated by a full time employee prior to July 1, 1983 and non-paid sick days granted such an employee after that date. Employee were subject to the same limitation regardless of when they were hired.

and sick day benefits have become increasingly significant costs for the Fire Department and that the proposed two tier concept would be a reasonable method of controlling those costs. The problem is that their proposed solution in the case of sick pay would reduce accrual rates for the new hires below those in comparable Departments. Reduction to such a level is unwarranted.

THE AWARD

Under the City final proposal on this issue, the accrual rate for new Firefighters would be 8 hours per month, well below rates in any comparable municipality and a dramatic benefit reduction unsupported by the evidence. For that reason, the most reasonable final position on this issue is that of Local 63.

THE PARAMEDIC LIMITATION

Quincy seeks to put a cap on the number of authorized Paramedics in the Department. They would add language to 22.5 which would provide:

Authorized Level of Paramedics.

The number of paramedics authorized for educational pay is fifteen (15). Any Firefighters that is a paramedic or an active paramedic student upon the signing date of this contract will be grandfathered in for purposes of educational incentive pay.

When the number of paramedics drops below (or can reasonably be determined to be near dropping below) the authorized level, Firefighters wishing to take paramedic training will be approved in order of departmental seniority."

DISCUSSION

At the time of this Interest Arbitration Hearing there were twenty-six certified paramedics within the Bargaining Unit. After obtaining such a certification, each Firefighters/paramedic is paid 4.5% of pay annually, There is no proposal to make any change in that benefit. Currently there is no limitation upon the number of Firefighters who may obtain this certification but, in their final proposal on this issue, Quincy seeks to cap the number of paramedics in the Unit at fifteen. Current Paramedics and Firefighters in paramedic training would be grandfathered in for purposes of the education incentive premium. Over time, through attrition, the number of Paramedics in the Unit would be reduced to fifteen.

Chief Henning explained that the Quincy Fire Department does not provide ambulance service within the City. They do provide advanced life support capability with an Engine Truck which serves as backup to a local Adams County Ambulance Service. That private ambulance service has recently added a third ambulance.

The evidence established that the number of times Firefighters are called into service as either backup to private Ambulance companies or to provide advanced life support has declined from more than a hundred calls per year to about twelve. The Chief's uncontested testimony was that, in his judgment, the number of certified paramedics on staff is more than sufficient to meet current needs. The Union asserts that, among comparable Departments, only Normal has a Paramedic cap and, even there, individuals with Paramedic certifications in excess of the cap receive a 1% incentive.

THE AWARD

The evidence established that the City request that there should be a 15 Firefighter cap on the number of paramedics was not unreasonable. There is no operational reason to staff above that number. The City final offer to cap the number of paramedics authorized for educational incentive pay at fifteen is adopted. The language they propose for resolution of this issue shall become a part of the Agreement.

AWARD SUMMARY

All Tentative Agreements have been incorporated by reference into this Award and shall become a part of the 2011 Labor Agreement.

Having considered the evidence in accordance with applicable statutory criteria, I have made the Awards set forth above on each issue. The parties' May 1, 2011 through April 30, 2014 Collective Bargaining Agreement shall be modified to include these determinations.

James R. Cox
Arbitrator

Issued this 26th day of October 2011