



OFFICE OF MAYOR RAHM EMANUEL
CITY OF CHICAGO

June 12, 2012

Inspector General Joseph Ferguson
City of Chicago Inspector General's Office
740 North Sedgwick Street
Suite 200
Chicago, Illinois 60654

Dear Inspector General Ferguson:

This letter is in response to your office's April 26, 2012 letter wherein you requested responses to two sets of questions pertaining to the Chicago Police Department ("CPD") and the Chicago Fire Departments' ("CFD") collective bargaining agreements, ("CBAs") respectively. The Inspector General's Office ("IGO") also requested CPD and CFD expenditure data in a variety of different categories for the years 2009-2011, and copies of all CPD and CFD CBAs since 1980.

Additionally, the IGO provided a copy of a draft report entitled "Description of the Police Officer and Firefighter Collective Bargaining Agreements." The IGO invited the COS and any designated delegates to provide feedback and commentary on this report prior to the IGO's publication of the document to members of City Council and City of Chicago residents.

The Mayor's Office has worked closely with the Police Department, Fire Department, Office of Budget Management, Department of Finance, and Labor Relations in preparing this response to the IGO's inquiries and report. In order to provide appropriate context for the CBA provisions discussed in response to the IGO's inquiries, and the provisions of the CBAs *in toto*, we would like to note the following:

The negotiation of the Fraternal Order of Police ("FOP") and Local 2 CBAs are governed by state law, under the Illinois Public Labor Relations Act ("IPLRA") 5 ILCS 315. For public health and safety reasons, the IPLRA does not give the Police or Fire unions the right to strike if they are not satisfied with the terms of a new contract, but in exchange, the unions have the right to submit a dispute over the terms of a new contract to interest arbitration. When a contract goes to interest arbitration, that means that a third party arbitrator decides the final terms of the contract, independent of the City and the union.

For the FOP, over the past 20 years every CBA (except for the outlier 1995-1999 CBA) has been the product of interest arbitration. Local 2, in accordance with decades of parity, has followed suit with the FOP. Despite the City's best efforts, public safety labor negotiations have, more often than not, come to an impasse. That being said, during the upcoming labor negotiations, this administration will do everything possible to negotiate fair and equitable contracts with both the FOP and Local 2, while remaining ever vigilant to our dual goal of protecting the taxpayers' financial interests and their safety.

Below and attached please find responses to the IGO's specific inquiries related to CPD and CFD CBAs, responsive documents providing expenditure data, factual explanations and context of the expenditure data where warranted, and CDs containing copies of all CBAs from 1980 until the present.

With respect to the IGO's draft report describing the CPD and CFD CBAs, overall, we believe that the IGO has provided a factually accurate review and objective description of the provisions of the CBAs. Our few comments on the draft report will be provided at the end of this document and are intended only to ensure that the most accurate and easily understandable information be reflected and disseminated to the members of City Council and Chicago taxpayers.

Questions Related to the Police CBAs

1. Section 20.2 of the CBA with the Fraternal Order of Police (FOP) references Federal Labor Standards Act (FLSA) and non-FLSA overtime. Please identify the circumstances in which overtime is determined to be FLSA overtime and when it is determined to be non-FLSA overtime.

There are two distinct types of overtime, "contract" overtime and Fair Labor Standards Act ("FLSA") overtime. Contract overtime is defined in the CBA as everything beyond the normal work day or work week, while FLSA overtime is triggered after a certain federally-mandated hours threshold is met, and subsumed within contract overtime. Officers may elect to receive their contract overtime compensation in the form of compensatory time or cash. FLSA overtime must be paid out in cash pursuant to a negotiated resolution with the police unions.

Section 20.2 of the CBA defines "overtime" as "all time in excess of the hours worked in the normal work day...and the normal work week." Contract overtime is earned when in a twenty-eight (28) day pay cycle, a police officer works more than either 153 or 161.5 hours, depending on their mandated schedule. FLSA overtime is triggered when, in that twenty-eight (28) day pay cycle, a member works in excess of one hundred and seventy-one (171) hours. The basic concept is that once you work past "normal work day/normal work week" hours, any additional time worked is contract overtime, until you reach the FLSA threshold, at which point federal law requires that you are paid FLSA overtime. Employees are not paid contract overtime and FLSA overtime for the same hours.

2. Section 23.10 of the CBA with the FOP refers to "economic reasons" for non-disciplinary demotions. Please identify all instances since the beginning of 2002 in which the provision has been applied, including titles, names, date of action and specific reason.

There are no instances where this provision has been applied.

3. Do sworn CPD personnel have any responsibilities associated with "duty availability" pay as identified in Section 20.13 of the CBA with the FOP? Do officers collect duty availability pay when on sick leave?

In order to be eligible to receive duty availability pay, one must be in "pay status" for at least half the month in which duty disability is being earned. Pay status (in this instance) means that an employee is working his/her regularly scheduled days of work at least half the month or is on some form of paid leave, such as vacation, medical roll, compensatory time, or military leave,

and that the employee is not on an unpaid leave of absence, FMLA leave, or serving a suspension.

Duty availability pay was originally negotiated, in part, in recognition of the fact that police officers are frequently called in to work on off-days or off-hours. As a condition of employment, a Chicago police officer must report to work when called, whether on or off duty. An officer can be required to report on his/her scheduled day off and/or remain at work after scheduled hours to respond to existing situations.

As discussed above, duty availability is paid while an officer is on sick leave, or "medical roll" which is the CPD term for sick leave.

4. What is the definition of "first issue" in the context of the uniform allowance as identified in Section 21.3 of the CBA with the FOP? Does the City provide sworn CPD personnel with a certain number of uniforms each year, plus an allowance for purchasing additional uniforms? How much does the "first issue" of the current uniform cost? How long does the "first issue" of the uniform typically last?

The CPD does not provide uniforms or uniform items. There is no police commissary. Rather, every police officer is required to purchase his/her own uniform. A newly hired police officer will spend approximately five-thousand two-hundred and twenty-five dollars (\$5,225) on required uniform items and an additional four-thousand dollars (\$4,000) on optional uniform items.

The CPD provides officers monies for uniform-related expenses in two distinct ways: 1) an annual uniform allowance, which may be used by the officer to pay for replacing damaged or lost items, cleaning and maintenance, and optional additional items that do not comprise the mandatory uniform (e.g. a cover for a bulletproof vest, or a Police sweater for inclement weather), and 2) "first issue" items.

"First Issue" is a new uniform item that an officer is required, for the first time, to have as part of his/her mandatory uniform. For instance, the last time "first issue" was invoked was roughly ten (10) years ago for the initial purchase of polymer flashlights, when it was determined that police officers would be required to have polymer flashlights as part of their mandatory uniform for the first time. Going forward, if a Chicago police officer who received a first issue polymer flashlight needed an additional or replacement flashlight, he/she must pay for it themselves. All new hires who were not police officers as of the date of the "first issue" of flashlights must purchase their own polymer flashlight as it is now part of the mandatory uniform.

5. What is the balance, as of April 1, 2012, by title code of compensatory time earned by sworn CPD personnel?

The compensatory balance is available as of December 31, 2011. During the year officers are both earning compensatory time and using their compensatory time, therefore the balances fluctuate daily. As a result of this constant change, CPD does not calculate the value of the balance monthly. As of December 31, 2011 there were 5,357,054 hours earned but unused. The City estimates the value of this compensatory time at \$226,903,763. As discussed above in question #1 regarding overtime, officers may elect to receive their overtime compensation in the form of compensatory time or cash. If they elect to receive their overtime as compensatory time, they may bank such compensatory time until they resign, retire, or otherwise leave city employment.

6. How many days of Injured-on-Duty (IOD) and non- IOD sick leave were used by sworn CPD personnel in 2009,2010, and 2011?

2009 totals were calculated in "days."
IOD 84,080 Non-IOD 149,985

2010 totals were calculated in "hours."
IOD 530,327.70 Non-IOD 1,542,266.55

2011 totals were calculated in "hours."
IOD 565,377.16 Non-IOD 888,050.18

It is important to note that the numbers provided for Non-IOD medical time are not able to be directly compared from year to year for the period of time from 2009-2011 due to the increasingly more detailed methods that the auditors employed to capture the lost time due to medical. In 2009, the department auditors calculated the total number of days that members were absent due to injury or illness. This figure included the members' regular days off, as well as scheduled work days. In 2010, in recognition of the different work schedules (8.5, 9 and 10.5 hour work days) used by the department, the auditors converted the lost time calculation from a daily basis to an hourly basis. The auditors identified the number of days a member was absent due to injury or illness and multiplied that number by the number of hours in their normal work schedule (8.5, 9 and 10.5). This included days that the member was sick, but would have not been present because it would have been a regularly scheduled day off. In 2011, recognizing that including regularly scheduled days off inaccurately inflated the hours a member was absent due to injury or illness, the auditors calculated the number of scheduled work days that members missed, and then multiplied those scheduled work days by the number of hours the member was scheduled to work as a regular work day.

7. What restraints or conditions exist on sworn CPD personnel engaging in secondary employment?

There are several conditions and restrictions that exist with respect to CPD personnel engaging in secondary employment. First, there is a list of proscribed secondary employment jobs. For example, sworn members are prohibited from being employed at a premise where the primary source of revenue is the sale of alcoholic beverages. Secondary employment may also be restricted if the Department has reasonable cause to believe that the number of hours which the officer spends working secondary employment is adversely affecting his/her performance. Additionally, sworn members may not work secondary employment while on the medical roll and must at all times abide by the City of Chicago's Ethics Ordinance.

8. If sworn CPD personnel elect to receive compensation for unused personal days, is this compensation paid at the rate of pay earned when the personal days were earned or at the rate of pay earned when the compensation is paid?

Compensation for unused personal days is paid at the rate in effect at the time of payout.

Additionally, please provide actual expenditures for each of the following components of the

CPD CBAs for 2009, 2010, and 2011 :

- ***Salary***
- ***Health Insurance***
- ***Duty Availability Pay***
- ***Uniform Allowance***
- ***Non-FLSA Overtime***
- ***FLSA Overtime***
- ***Holiday Premium Pay***
- ***Tuition Reimbursement***
- ***CPD Fitness Pay***
- ***Payments for Assignments to Specialty Units***
- ***Payments for Working Out of Grade***
- ***Payments for Unused Furlough***
- ***Payments for Unused Baby Furlough Days***
- ***Payments for Unused Personal Days***
- ***Quarterly Differential for Sergeants, Lieutenants, and Captains***
- ***Rank Credit for Sergeants, Lieutenants, and Captains***

See attached CPD expenditure documentation. Please note the following:

- a. In 2010, CPD received retro payments as a result of execution of the collective bargaining agreements with the city. The files provide the requested information with the retro payments as a separate item in the year that they were paid.
- b. The specialty unit pay includes both straight time and overtime elements all of which are classified as part of the cost of the specialty unit. Specialty unit pay is for activities performed outside of an officer's regularly scheduled tour of duty. For example, with the Special Employment programs (CHA, CTA, Roadside, Seat Belt, and Saturation) the City is reimbursed for all hours expended either through an intergovernmental agreement or grant program.
- c. Salary includes wages paid to personnel on military leave.

Questions Related to the Firefighter CBA

1. What is the difference between an "administrative day" and a vacation day?

Administrative Days (Section 7.6), or pay in lieu thereof, are a negotiated benefit afforded to 40-hour employees and are in addition to Vacation Days. The addition of administrative days provides an incentive for recruiting and maintaining 40-hour uniformed members. Details regarding Administrative Days, or pay in lieu thereof, are as follows:

Forty (40) hour employees receive, each year, four (4) administrative scheduled days off or pay in lieu thereof, at the employee's option. Administrative Days are used (or paid for) each calendar year and cannot be carried over.

Vacation Days (Section 7.1) are a negotiated benefit afforded to all bargaining unit members. Every employee is eligible for paid vacation after completion of one (1) year of service. However, employees shall start to earn their vacation allowance as of their date of hire. Platoon and forty (40) hour employees shall accrue pro-rata vacation for each month of service or any portion thereof, in each year.

2. *In section 16.4-A-3 of the CBA with the Firefighters' union, it states that the City must maintain the number of battalions that were in place on March 1, 2006, but does not specify a number. Please provide the number of battalions that were in place on this date.*

On March 1, 2006, twenty four (24) battalions were in service.

3. *Do sworn CFD personnel receive duty availability pay while on the sick or injury leave described in section 7.3 of the CBA?*

Duty availability pay is guided by section 5.7 of the CBA. CFD personnel on sick or injury leave receive duty availability pay. No language exists in section 7.3 that excludes this benefit for sick or injured members.

4. *What restraints or conditions exist on sworn CFD personnel engaging in secondary employment?*

Sworn CFD employees are prohibited from engaging in secondary employment while on medical lay-up. Additionally, sworn CFD employees must abide by the City of Chicago's Ethics Ordinance with respect to any secondary employment.

5. *What percentage of Firefighters covered by the CBA is currently assigned to Fire Suppression Platoon Duty? What percentage is assigned to Emergency Medical Services Platoon Duty? What percentage is assigned to 40-hour work weeks?*

83.3% - Assigned to Fire Suppression Platoon Duty

11.7% - Assigned to EMS Platoon Duty

5% - Assigned to 40-Hour Work Weeks

6. *Please provide actual expenditures for each of the following components of the CFD CBAs for 2009, 2010, and 2011.*

- *Salary*
- *Health Insurance*
- *Duty Availability Pay*
- *Uniform Allowance*
- *Overtime*
- *Holiday Premium Pay*
- *Tuition Reimbursement*
- *Specialty Pay*
- *Driver Differential Pay*
- *Payments for Acting-Up*
- *Voluntary Physical Fitness Examination Payouts*
- *Training Instructor Incentive Pay*
- *Payments for Unused Vacation*

Please see attached CFD expenditure documentation. Please note the following:

- a. in 2011, CFD received retro payments as a result of execution of the collective bargaining agreements with the city. The files provide the requested information with the retro payments as a separate item in the year that they were paid.
 - b. Acting up and training instructor incentive pay are included as one dollar amount since the training instructor incentive pay is technically acting up pay and is grouped under the same pay code as acting up pay.
 - c. The overtime numbers the BLS incentive since this payment is coded as overtime.
 - d. Payments for unused vacation include payments for unused furlough, administrative days and personal days.
 - e. Salary includes wages paid to personnel on military leave.
7. *Please provide a copy of each CBA the City has entered into with the unions representing sworn CPD and CFD personnel since 1980. Please include any memoranda of understanding and side letters attached to these agreements.*

Please see enclosed CDs which contain copies of all CBAs the City has entered into with unions representing sworn CPD and CFD personnel since 1980.

Comments on IGO's Draft Description of the Police Officer and Firefighter Collective Bargaining Agreements

Overall, the IGO provides a factually accurate description of the major elements of the CPD and CFD CBAs. However, there are a few areas where we believe further clarification may be warranted.

Specialty and Out of Grade Pay, p. 9

At page 9 "specialty" pay has been misconstrued. Canine and Marine unit positions aren't "specialty pay," rather they are promoted positions. D2 is their regular pay grade.

Additionally, the example provided for "out of grade pay" for FTOs is somewhat confusing and we are unsure of how to comment other than providing our own example. An appropriate example is as follows: A D-1 officer works two (2) hours as an FTO. He will receive D-2 pay for his entire tour of duty (work day), which is eight (8) hours. At the end of the eight (8) hour tour, the officer makes an arrest and it takes him (four) 4 hours to complete the arrest and corresponding paperwork, which gives him twelve (12) hours for the day. Those last four (4) hours he is not working as an FTO. Accordingly, his compensation for the day is as follows: eight (8) hours at D-2 (straight time); four (4) hours overtime at D-1, but at time and a half (i.e., no additional out of grade pay).

Community/Police Partnership Day, p. 13, FN 44

This April 29 holiday replaced Good Friday as a negotiated-for holiday. In an effort to save money, the events mentioned in the footnote such as health fairs and community fairs have been cut down substantially and are now held at various different times throughout the year, and not on any holidays when CPD would be required provide additional compensation to have police officers and security present for the events.

Table 8- Firefighter Vacation Time by Years of Service, p. 28

Table 8 converts the vacation time to hours worked based on an 8 hour day. This calculation is not accurate for fire suppression and EMS because these employees are paid out their vacation days in 24 hour increments (24 hours = 1 vacation day), not 8 hour increments. By adjusting the time to 8 hour days, it creates the inaccurate appearance of additional days off.

Thank you for the opportunity to respond to your specific inquiries about the CPD and CFD CBAs, and to comment upon the IGO's draft report. The CPD and CFD CBAs are dense and complicated, and the labor negotiations protracted and nuanced. While the labor negotiation process can never be boiled down to facts and definitions, we appreciate the IGO's objective articulation of the major factual elements of the current CBAs. We hope, with the addition of our few clarifications above, that the IGO's "Description of the Police Officer and Firefighter Collective Bargaining Agreements" may be used as a factual reference to aid stakeholders in their understanding of the current public safety CBAs as the City undertakes negotiation of the new CBAs on behalf of the Chicago taxpayers.

Please feel free to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Theresa E. Mintle". The signature is fluid and cursive, with a large initial "T" and "M".

Theresa E. Mintle
Chief of Staff

2009 CPD

Salary	\$974,604,019.74
Duty Availability	\$38,484,013.06
Uniform Allowance	\$23,672,570.29
Non-FLSA OT	\$27,546,188.86
FLSA OT	\$12,424,548.18
Holiday Premium	\$3,657,981.87
Tuition Reimbursement	\$9,991,690.00
Fitness Pay	\$788,750.00
Specialty Unit Pay	\$21,959,145.07
Furlough Buy Back	\$1,624,496.23
Personal Day Buy Back	\$4,435,750.69
Baby Furlough Buy Back	\$6,396,686.35
Acting Up Pay	\$1,672,806.09
Supervisors Quarterly	\$8,583,207.40

CPD 2010

Salary	\$988,777,571.83
Duty Availability	\$37,700,514.81
Uniform Allowance	\$23,123,137.30
Non-FLSA OT	\$26,372,746.35
FLSA OT	\$10,595,078.13
Holiday Premium	\$3,567,606.65
Tuition Reimbursement	\$6,496,527.00
Fitness Pay	\$1,129,300.00
Specialty Unit Pay	\$17,789,007.37
Furlough Buy Back	\$3,362,024.71
Personal Day Buy Back	\$4,818,568.52
Baby Furlough Buy Back	\$7,111,195.52
Acting Up Pay	\$1,819,101.54
Supervisors Quarterly	\$8,415,900.24

CPD 2011

Salary	\$1,014,677,667.19
Duty Availability	\$37,431,061.88
Uniform Allowance	\$22,369,244.68
Non-FLSA OT	\$26,770,984.47
FLSA OT	\$10,874,028.45
Holiday Premium	\$3,481,435.70
Tuition Reimbursement	\$6,496,527.00

Fitness Pay	\$1,104,250.00
Specialty Unit Pay	\$17,136,378.60
Furlough Buy Back	\$3,003,527.85
Personal Day Buy Back	\$5,238,479.19
Baby Furlough Buy Back	\$6,979,883.53
Acting Up Pay	\$1,989,015.84
Supervisors Quarterly	\$8,559,983.65

CPD Compensatory Time Totals

2009	Total
COMP TIME 200 HR BB Total	\$8,286,271.43
COMP TIME SWN BB Total	\$9,262,528.77
Total	\$17,548,800.20

2010	
COMP TIME 200 HR BB Total	\$8,512,463.25
COMP TIME SWN BB Total	\$11,333,992.89
Total	\$19,846,456.14

2011	
COMP TIME 200 HR BB Total	\$8,764,038.36
COMP TIME SWN BB Total	\$14,629,982.50
Total	\$23,394,020.86

Comp Time 200 HR BB is the contractual requirement that allows Sergeants, Lieutenants, and Captains to sell back up to 200 Hours of compensatory time per year.

Comp Time SWN BB Total is the compensatory time sold back when a sworn employee terminates employment.

CFD 2009

Salary	\$407,595,738.64
Duty Availability	\$14,728,700.37
Uniform Allowance	\$5,653,226.70
Overtime	\$21,280,916.02
Holiday Premium	\$17,668,273.42
Tuition Reimbursement	\$424,871.00
Specialty Pay	\$14,681,108.93
Drivers Differential	\$2,970,935.06
Acting up/Training Instructor Incentive Pay	\$982,006.63
Fitness Examination Payments	\$617,050.00
Unused furlough payments	\$4,334,888.50

CFD 2010

Salary	\$407,695,631.52
Duty Availability	\$14,692,570.79
Uniform Allowance	\$5,713,750.00
Overtime	\$10,964,120.02
Holiday Premium	\$16,865,032.24
Tuition Reimbursement	\$392,413.00
Specialty Pay	\$15,065,598.06
Drivers Differential	\$3,006,555.11
Acting up/Training Instructor Incentive Pay	\$1,374,737.01
Fitness Examination Payments	\$675,500.00
Unused furlough payments	\$4,536,145.94

CFD 2011

Salary	\$430,828,252.94
Duty Availability	\$14,916,875.34
Uniform Allowance	\$5,570,199.00
Overtime	\$12,502,922.96
Holiday Premium	\$19,270,245.74
Tuition Reimbursement	\$558,730.00
Specialty Pay	\$16,736,010.06
Drivers Differential	\$3,158,912.23
Acting up/Training Instructor Incentive Pay	\$1,548,846.24
Fitness Examination Payments	\$1,243,900.00
Unused furlough payments	\$3,336,843.70
Retro Pay	\$87,861,271.69

City of Chicago
Benefits Management Division
Historical Healthcare Costs: 2009 - 2011

GROUP / TIME PERIOD	AVERAGE # OF EMPLOYEES	PEPY HMO COSTS*	PEPY PPO COSTS*	PEPY DENTAL COSTS*	PEPY LIFE COSTS**	TOTAL PEPY COSTS FOR EE WITH HMO	TOTAL PEPY COSTS FOR EE WITH PPO
POLICE							
2009	13556	\$9,777	\$9,791	\$344	55.5	\$10,177	\$10,191
2010	13442	\$10,662	\$9,835	\$336	109.2	\$11,107	\$10,280
2011	13241	\$10,982	\$11,102	\$347	153.12	\$11,483	\$11,602
FIRE							
2009	5542	\$9,777	\$9,791	\$344	55.5	\$10,177	\$10,191
2010	5602	\$10,662	\$9,835	\$336	109.2	\$11,107	\$10,280
2011	5521	\$10,982	\$11,102	\$347	153.12	\$11,483	\$11,602

* Average PEPY citywide.

** Effective 07/01/2010, Fire and Police life insurance coverage increased from \$25,000 to \$75,000.