

BEFORE THE ARBITRATOR

In the Matter of the Final and Binding Interest Arbitration Dispute between

TEAMSTERS LOCAL UNION NO. 579

and

CITY OF MILTON (POLICE DEPARTMENT) Dec. No. 30430-A

WERC Case 36, No. 61386, Int/Arb-9689

APPEARANCES:

For the Union:

Mr. Darrell R. Shelby, Business Representative, Teamsters Local 695, 1314 N. Stoughton Rd., Madison, WI 53714-1293, and Mr. Jack Adams, Business Agent, Teamsters Local 579, 2214 Center Ave., Janesville, WI 53546-8999, appearing on behalf of the Union.

For the Employer:

Roethe, Krohn, Hope, McCarthy and Haas, LLP, 508 Campus Street, Milton, WI 53563, by Mr. Michael R. Haas, appearing on behalf of the City.

ARBITRATION AWARD

The Union has represented a bargaining unit of street, sewer and water department employees of the City for a number of years. The parties most recent collective bargaining agreement expired on December 31, 2001. On May 9, 2002, the Union and the City filed a stipulation with the Wisconsin Employment Relations Commission requesting arbitration pursuant to Section 111.70 (4) (cm) 6, Wis. Stats. Efforts to mediate the dispute by a staff member of the Commission were unsuccessful, and an impasse investigation was closed by the Commission's order requiring interest arbitration dated July 26, 2002. The undersigned Arbitrator was appointed by Commission order dated August 7, 2002. A hearing was held in this matter in Milton, Wisconsin on October 2, 2002. No transcript was made, and neither party filed a brief.

Statutory Criteria to be Considered by Arbitrator

Section 111.70 (4) (cm) 7

7. 'Factor given greatest weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer, body or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.

7g. 'Factor given greater weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified in subd. 7r.

7r. 'Other factors considered.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall also give weight to the following factors:

- a. The lawful authority of the municipal employer.
- b. Stipulations of the parties.
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.
- e. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in public employment in the same community and in comparable communities.
- f. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and in comparable communities.
- g. The average consumer prices for goods and services, commonly known as the cost of living.
- h. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and

pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

j. 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.

The Union's Final Offer

Longevity for all full-time employees: After ten (10) years of service -- 2%, after fifteen (15) years -- 3%, and after twenty (20) years of service -- 4% of hourly rate.

The Employer's Final Offer

The City of Milton's final offer for the 2002-2004 Collective Bargaining Agreement includes all of the items agreed to and listed on the enclosed Stipulation and does not include any provision for longevity pay for employees in the Department of Public Works Bargaining Unit.

The Union's Position

All items but longevity are agreed. The Union is seeking the same longevity provision that the Police Department unit, also represented by the Teamsters, already has. The City has long requested that the contracts be kept uniform, and a significant effort has been expended on this over the course of the last three agreements, so that the contracts have come significantly closer together over time, except for items specific to the Police Department. Here, the Department of Public Works bargaining unit is asking for a little respect, such that longevity should be provided for their bargaining unit just as for the police. Also, longevity pay is helpful to employees, and is a reward for loyal service; this has helped retain employees in the Police Department, and the Department of Public Works employees are simply asking for the same treatment.

The Employer's Position

The Employer agrees with the Union in general as to the value of uniformity between the contracts. But the Employer argues that longevity pay in the Police contract has special reasons, and that the City agreed to a generous provision because it had had trouble retaining experienced police officers. The City argues that there was a previous history of the City hiring and training police officers, but of these employees then

seeking opportunity elsewhere after a few years' experience. The City felt that it needed to keep experienced officers. Even with the addition of the longevity clause in 1996, the Police Department's seniority list looks very different from that of the Department of Public Works; five of the eight police officers have less than seven years with the City, while all but three of the Public Works employees have over ten years' seniority. For these reasons, the market is different for these two groups, and the City sees no justification or need for the longevity pay in this bargaining unit. Furthermore, the cost is much higher, at over \$28,000 during the term of this contract, while the cost of the Police longevity clause during the equivalent period is \$12,800. The rest of the agreement reached is not deficient, providing an adequate wage increase and health insurance which the City feels is an improved plan, although the City recognizes that employees are now contributing to the cost for the first time. Comparing such classifications within this bargaining unit as allow easy comparison to other cities, the City contends that its wage structure is in the ballpark with its comparables but is higher than Edgerton, the closest comparable. The wage package therefore does not need enhancing to retain employees, while only two of the five comparables the parties have stipulated to have a longevity clause, and only one of those is of significant size.

Discussion

I note, first, that the Union represents three bargaining units of the City, and while the Police Department unit has the identical longevity provision that the Union seeks here, the City Hall bargaining unit has no longevity provision. The internal comparables, also, are not as neutral as the "1 to 1" balance might make it seem, because the City makes a strong argument that there were special reasons why longevity was necessary in the Police Department. Not only does the different distribution of seniority between the Police Department and the Department of Public Works mean that the imposition of the longevity provision here would immediately trigger a much higher cost than in the Police Department, but as the City argues, the average level of seniority within the Department of Public Works also demonstrates that the longevity provision is not needed in order to attract Public Works employees to remain with the City for a career. By the middle year of this three-year contract, for example, 80 percent of the bargaining unit would be receiving longevity pay, with 40 percent receiving the maximum. In each year of the police contract, by contrast, two out of 9 police officers are receiving longevity pay at the maximum, and one other at the 10-year level; six out of the nine are not receiving longevity.

While neither party offered a comprehensive cost calculation, there is no dispute that wages are increasing by approximately 3 percent in each year of the contract, that an additional paid holiday is being added, and that while the health insurance changes are complex and involve an employee contribution toward the cost for the first time, there are also improvements in this benefit; the net cost to the City is expected to rise by about \$350 per month in each of the latter two years of the contract, and apparently by a monthly total cost of some \$570 in the first year. There is no evidence as to the City

Hall agreement, and no evidence presented that would show that the Police Department agreement for the upcoming three years contains a new benefit of significant size that would match the longevity provision proposal here. (The City's contention that when longevity was negotiated in the Police contract there were offsetting economic factors in the negotiation is neither supported nor contradicted by evidence.) The Union has also not offered any particular quid pro quo for this improvement. The net effect is that a new provision which would generate for the average Public Works employee an additional 2.3 percent in the first year is out of line with internal comparables.

The longevity pay provision is also not supported by the external comparables. The parties stipulated to a comparable grouping that includes Edgerton, Evansville, Lake Mills, Delavan and Jefferson. Among these, there is no dispute that only Edgerton and Delavan have longevity pay provisions. Delavan's is very substantial, at \$400 after five years of employment, rising gradually to \$1300 after 20 years of employment. Edgerton's is much more modest, at \$19 per year for each year of service for employees who have worked at least five years. Thus a 20 year employee would receive \$380. The Union's proposal here, generating 4 percent after 20 years, is dependent on the hourly rate, but at the lowest hourly rate actually being received by an employee in 2002, i.e. \$17.03 an hour, this generates \$1417 in a 2080 hour year.

While exact comparison of hourly rates between the comparable cities is difficult, as the City points out, both because job titles vary and because seniority levels are unknown in the other cities, a review of the evidence presented fails to reveal any area in which Milton is clearly behind. The result is that the longevity provision does not appear to be justified by balancing out any shortfall in wage levels, and would simply have the effect of pushing Milton to or above the highest level of longevity provision among the comparables, when the majority of the comparables have no longevity provision at all.

The Statute's Weighing:

The parties have not made their arguments in terms of the specific statutory criteria. But the statute demands a specific accounting in those terms. The "greatest weight", "greater weight", and "lawful authority" factors are not argued. The stipulations of the parties appear to include wage and benefit increases at least comparable to the current Police Department settlement as well as to external settlements, and therefore favor the City. Factor "c.", interests and welfare of the public, favor economy in this instance since there is no offsetting improvement likely in the City's ability to retain employees. Factors "d." and "e." favor the City, for the reasons noted above. Factors "f." and "g." were not argued; factor "h." is neutral, as not all of the relevant calculations are in the record; and factors "i" and "j." were not argued.

Summary

The fact that the Police Department bargaining unit has the same longevity provision that the Union seeks here is the sole point of evidence clearly favoring the Union. But other elements governing the overall balance of internal comparability generally favor the City, and the external comparables also favor the City. The remaining factors are either neutral or favor the City; so on balance, the City's proposal is clearly better tuned to the statute's requirements than the Union's.

For the foregoing reasons, and based on the record as a whole, it is my decision and

AWARD

That the final offer of the City of Milton shall be included in the 2002-2004 collective bargaining agreement.

Dated at Madison, Wisconsin this 8th day of October, 2002

By _____
Christopher Honeyman, Arbitrator