STATE OF WISCONSIN
WISCONSIN EMPLOYMENT RELATIONS COMMISSION

WISCONSIN DELLS CITY EMPLYOYEES
AFSCME LOCAL 1401, AFL-CIO

Union,

v.

CITY OF WISCONSIN DELLS,

Employer,

Case 37
No. 61472
INT/ARB-9705
Dec. No. 30687

DECISION AND AWARD

The undersigned was selected by the parties through the procedures of the Wisconsin Employment Relations Commission. A hearing was held on December 11, 2003. The parties were given the full opportunity to present evidence and testimony. At the close of the hearing, the parties elected to file Briefs and Reply Briefs. The arbitrator has reviewed the testimony of the witnesses at the hearing, the exhibits and the parties' briefs in reaching his decision.

ISSUES

The parties reached agreement on most of the terms to be included in the successor agreement. All of those tentative agreements are incorporated into this Award. The remaining open issues are:

Union

2% across the Board increase January 1, 2002
2% across the Board increase January 1, 2003
2% across the Board increase January 1, 2004

Employer

Wages

$.44 across the Board increase January 1, 2002
$.55 across the Board increase January 1, 2003
$.67 across the Board increase January 1, 2004

Insurance

Section 15.01: Amend this section to read:

> The City agrees to subscribe to the Wisconsin Public Employee's Group Health Insurance Program. The City shall pay one hundred and five percent (105%) of the gross premium of the least costly qualified plan within Columbia County, but not more than the total premium of the plan selected.
>
> Starting July 1, 2003, the City shall contribute 95% of the lowest plan rate available towards the employee's chosen health plan premium. Starting January 1, 2004 the City shall contribute 90% of the lowest plan rate available towards the employee's chosen health plan premium. The employee shall be responsible for the remaining balance of the premium through a payroll deduction.
>
> The City will reimburse the employee for the 20% on durable goods and the emergency room co-pay with a maximum reimbursement of two emergency room co-pays per calendar year.

BACKGROUND

Wisconsin Dells is situated on the Wisconsin River. The City is located in Sauk, Columbia, Adams and Juneau Counties. It has a population of approximately 2500 people. Its primary industry is tourism.

There are three bargaining units in the City. The Wisconsin Professional Police Association-LEER Division represents the Dispatchers. There are four employees in that bargaining unit. Their current collective bargaining agreement runs from 2002-2004. The Police Department employees are represented by AFSCME, Local 1401-B. There are nine employees in that bargaining unit and their current agreement covers 2003-2005. The Unit in question in this dispute covers the 25 Public Works employees. Their last agreement expired at the end of 2001.

The two other bargaining units and the non-represented employees all accepted the health care proposal of the City. They agreed that the percentage of contribution for the City would drop to 95% in 2003 and 90% in 2004. The change in rates for those employees was effective on January 1 of 2003 and 2004 instead of July 1, 2003 and January 1, 2004 as is proposed here. The City's wage proposal to this unit if converted to a percentage would be 2.8% in 2002, 3.4% in 2003 and 4.0% in 2004. That is not the same increase given to the other units. The Union is seeking a 2% across the Board increase in each of the three years.

STATUTORY CRITERIA

111.70(4)cm(7), Wis. Stats., sets forth the criteria that the Arbitrator is to consider in making his award:

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 under subd. 7r.

7r. `Other factors considered.' In making any decision under the arbitration procedures authorized in 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of employes performing similar services.

e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes, 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 parties agree that many of the above criteria are not applicable to this dispute. Neither party has indicated that the factor to be given greatest weight, a lawful order or directive is relevant. The Employer has argued that Section 7(g) applies. It believes the economic conditions in the City warrant adoption of its proposal. The problem with this argument is that its proposal actually costs more, as will be discussed below, than the Union offer. While in the future insurance costs may increase by more than the cost of the wage increases contained in the

Employer offer that is not the case at any time during the term of this agreement. The Arbitrator is hard pressed to find that the economic conditions in the City warrant consideration in the City's favor given the added cost of its proposal over and above that of the Union. Therefore, the Arbitrator finds that this factor is not relevant here.

The only factors that play a role in the outcome of this case are sub-parts (d), (e), (f) and j. The discussion will begin with an examination of external comparables.

External Comparables

The Statute requires the Arbitrator to look at the "wages, hours and conditions of employment" in "comparable communities" and "other employees in the private sector." The parties agree on some of the communities to which the Arbitrator should look for comparison. Both side propose Baraboo, Lake Delton, Portage, Prairie du Sac, Reedsburg, Sauk City and Richland Center as comparables. These are the comparables used by Arbitrator Tyson in a 1998 Decision involving these same parties. Arbitrator Tyson also found that "Lodi and Mauston are all proximate and can be given consideration." He rejected the inclusion of several Cities, such as Dodgeville. The Employer has again proposed some of those same Cities as well as others. Since Arbitrator Tyson did not include them in his list, this Arbitrator will also not include them. As the Union pointed out, Arbitrator Grenig previously noted:

class=Section2>

> Once an interest arbitration has determined comparable employers, disruption of the established comparables should be discouraged. An established comparability group should be maintained and the burden of persuasion to change an established comparability group rest on the party that wants to make the change. Continuity and stability of the comparables is important to provide the parties with an appropriate grouping upon which to base its comparisons from year to year.[1]

class=Section3>
Arbitrator McAlpin also discussed this issue:

> Consistency of comparables helps to bring certainty not only to the interest arbitration process but also to the Collective Bargaining process. The Arbitrator in this case finds no evidence within the record of this case that would allow him to substitute his judgment for Arbitrator Oestreicher.[2]

Based on that same reasoning, this Arbitrator rejects the inclusion of the Cities proposed by the County other than those that were used by Arbitrator Tyson.

The Employer did not propose in the earlier arbitration inclusion of employees that work for the Counties to which Wisconsin Dells is a part. As noted, parts of the City are in Sauk, Juneau, Columbia and Adams Counties. Since this City is located in each of these Counties, the Arbitrator believes that inclusion of these Counties, as a secondary pool is appropriate, especially since Arbitrator Tyson did not previously reject them from consideration. Finally, Arbitrator Tyson did say that the employees in the School District could be used for comparison. He used

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[1] Grant County, Decision No. 30258-A (2002)
[2] City of Oskosh, Decision No. 30312-A (2002)

them when reviewing internal comparables. They could be used internally or externally. This Arbitrator will use them externally.

The Arbitrator has prepared a chart showing the amount paid for health insurance in the comparable communities by the respective employers and the amount paid by employees. The chart includes the employees of the Wisconsin School District. The chart only uses the Dean Insurance plan for comparison since all but 3 employees in this unit are covered by that Plan. It compares the Employer's proposal to the contracts in the comparables.

Year	Total Premium	Emp.%	TotalEmployerContribution
2003 Premium	$710	95%=	$674.50
2004 Premium	$854	90%=	$768.60

Wisconsin Dells School District			
Teachers (hired before 1994)	$1187	100%=	$1187
Teachers (hired after 1004)	$1187	90%=	1068
Educational Assistants	$1083	90%=	975

Cities			
Baraboo	$ 854	105%=	$ 854
Lake Delton	$ 854	90%=	$ 768
Mauston	$ 854	105%=	$ 854
Portage	$ 854	105%=	$ 854
Prairie du Sac	$ 854	105%=	$ 854
Reedsburg*	$1163	$20=	$1143
Sauk City	$ 854	105%=	$ 854
Richland Center	$ 854	105%=	$ 854
Average	$892	102%=	$ 879

* $20 is 2% of total premium and that figure was used for the calculations.

2004 Premiums in Counties			
Adams County	$1301	90%=	$1170
Columbia County**	$1216	90%=	$1094
Juneau County	$1035	105% =	1035

Sauk County	$ 887	90% =	798
Average	$1109	93.75%=	$1024.25

** Pays 90% of select plan

Looking first at the primary cities, it is clear that the employees in all, but Lake Delton and Reedsburg are covered by the same insurance plan as are the employees here and that none contribute any money for coverage under the least expensive plan. In Reedsburg, they pay something, but it is far less than 10% and their plan is far more expensive. Only Lake Dalton has a provision like that proposed here. The Employer argues that of all the comparables, Lake Dalton is the most comparable given its proximity and its reliance on tourism. While the Arbitrator certainly gives that argument weight, it still cannot overcome the tremendous disparity in the other communities with what is proposed by the City here.

A review of the secondary pool comprised of the Counties would at first blush seem to favor the City's argument. However, the Counties pay much higher insurance premiums for its employees than the premiums being paid by this City. Adams, Columbia and Sauk all require the employee to pay 10% of the premium, but their premium is much higher. While this does mean the employee is also paying more, the cost to the County is still far more than the cost to this City, and that is what is being compared. The same is also true for the School District employees. They pay 10%, but the cost to the District per employee is greater than the burden placed on this City for insurance coverage for its employees.

The Arbitrator concludes that when the primary and secondary pool of comparable employees is examined that the external comparables favor the Union proposal.

The Employer did offer as an example an employer in the private sector. Big Joe's requires its employees to pay a portion of the premiums. The cost to the Employer is several hundred dollars less per month per employee than the City pays towards insurance premiums. This employer would support the argument of the City. However, it is only one employer. It is hard to establish a pattern in the private sector based on a single entity. Thus, while this one example supports the City's argument, it cannot be given a great deal of weight given the very limited example upon which the comparisons is made, and given the pattern of the public sector employees being compared.

Internal Comparables

The Employer has two other bargaining units. There are 13 total employees in both those units. Both of those Units have accepted cost sharing for health insurance premiums. They have both accepted a provision almost identical to the proposal for this bargaining unit. The non-represented employees of the City also pay a portion of health insurance premiums in the amount sought by the City for this unit. The Employer has argued that an internal pattern has been established and that when it comes to benefits internal consistency is the primary factor

for consideration. To support its argument it cited several arbitration decisions. Arbitrator Rice held:

> Arbitrators have consistently held that internal comparisons with other bargaining units of the same Employer carry great weight in the absence of some unusual circumstances. Employers strive for consistency among employees with respect to fringe benefits and particularly health insurance. They avoid being "whip sawed" by the various bargaining units. There is no reason why significantly different health plans should be made available to different units of the same employer in the absence of unique circumstances. Basic insurance needs do not vary significantly across bargaining units and the health insurance needs of the teachers of the handicapped students do not differ substantially from those of the Employer's other employees. The community of interest of the same employer is relatively the same. The Employer has always maintained internal pattern of equity in its health insurance programs for its employees. The internal health insurance relations of previously settled agreements with other unions representing the Employer's employees is a significant factor for the arbitrator to consider. The Employer has established a settlement with the bargaining units with which it has reached agreement and its offer to the Association is consistent with it. Internal consistency with respect to fringe benefits is a very significant factor for the arbitrator to consider. The Association's health insurance proposal would create a benefit system that would be unique among the Employer's employees. Change in the health insurance benefits given the Employer's employees should be consistent and recognized that variations between employee groups of the same Employer should be avoided if it at possible.[3]

Arbitrator Nielsen discussed the rationale for the above rule:

> The policy favoring adherence to established internal patterns of settlement is rooted in declared public policy of encouraging voluntary settlement through the procedures of collective bargaining. Failure to honor an existing pattern will undercut voluntary collective bargaining, since it tells other units that they should have taken their chances in arbitration, rather than settling on terms that while less than ideal were consistent with other internal settlements… the internal

[3] Walworth County-Handicapped Children's Education Board, Dec. No. 27422-A (1993)

> patterns should be favored since it is more likely to realistically reflect the outcome of successful negotiations.

The Employer believes these and other cases clearly indicate that where there has been an internal pattern that the Arbitrator should follow that pattern and give this factor controlling weight.

The Union disagrees noting that this bargaining unit is by far the largest bargaining unit. The smaller units it argues should not be allowed to set the pattern for the large unit. It cited a case by Arbitrator Torosian to make its point. In that case Arbitrator Torosian refused to find that an internal pattern had been established. He noted:

> The Employer has settled with four represented units and three non-represented units. However, in the opinion of this Arbitrator, the number of employees covered by the settlements (even counting non-represented employees) as compared to the total number of County employees does not support a conclusion that a pattern exists. Among the represented employees, approximately 77% have not voluntarily settled. This figure is not significantly lower when non-represented employees are considered. In short, to conclude that a pattern exists that must be adhered to, the Arbitrator would be allowing the 'tail to wag the dog.'

Who is correct?

Arbitrator Tyson in his 1998 decision involving these same parties rejected a proposed change in insurance plans for the employees in this unit.[4] The police bargaining unit had already accepted the change of plans. He observed that:

> As the undersigned and other arbitrators have held elsewhere, however, one settlement involving a minority of employees does not constitute a prevailing pattern.

[4] This Unit did subsequently agree to the change in the succeeding agreement.

In this case, two of the units and the non-represented employees have agreed to the change. Thus, there is more of an established pattern here than was true in the case before Arbitrator Tyson. In addition, as the Employer has noted, the other two units and the non-represented employees make up 47% of the total workforce. This contrasts with the 23% who had agreed to the change in the case before Arbitrator Torosian. Thus, the rationale for following the pattern is stronger here than it was in the 1998 case and this would favor the Employer argument.

The Union points out that the cases cited by the Employer are distinguishable for a second reason, and that internal comparability should, therefore, be accorded less weight than the Employer believes it should or that might otherwise seem warranted based on the above findings. It argues that the issue in the cases cited involved benefit levels, rather than employee contributions to a uniform plan. The Union notes that Arbitrator Rice's decision discussed the importance of internal comparables when there would be "a benefit system that would be unique among the Employer's employees."[5] All employees here are under the same plan or choice of plans.

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[5] For that same reason, it distinguishes the present case from a decision by Arbitrator Kirkman, which involved establishing "the same level of benefits" for all employees. Village of Sherwood, Dec. No. 26625-A (1991)

The Arbitrator has reviewed the cases cited by the Employer. While it is true that the Arbitrators in many of the cases cited by the Employer based their decision on the fact that benefit levels need to be consistent, not all of the cases involved only that issue. Arbitrator Vernon addressed an issue very similar to the issue presented here. He observed:

> It also involves bringing the employee contribution for full-time employees in this bargaining unit in line with the contribution made by employees in other units. There is no doubt that the Health Care workers are being asked to make a sacrifice. However, there are strong internal equity considerations. The Union simply doesn't have a good answer for the question- 'if all the other full-time unionized employees are paying 10% toward their health care insurance, shouldn't the burden be shouldered equally.[6]

Arbitrator Vernon makes a valid point. Equity and morale would seem to favor the Employer proposal. This Arbitrator like many Arbitrators has often found that internal consistency when it comes to benefits is far more important than external comparisons. External comparisons are critical when it comes to wages, but less so when benefits are involved. Therefore, the Arbitrator rejects this premise offered by the Union.

There is yet one more factor to consider before leaving the discussion of internal comparables. Arbitrator Vernon when discussing internal comparables in a 1990 case noted:

> However, they give particularly significant weight- usually more than external comparisons- when there is a history of pattern bargaining between the various groups. For example, it is powerful evidence when an employer comes to arbitration with a final offer identical to its settlements with three of its four unions and can show a history of that over several contract

[6] Sauk County Dec. No 29584 (2000)

> periods that all the unions have had identical rate adjustments.

He then went on to note that there was no such pattern in the case:

> The problem here is there is no history of pattern bargaining among the various employee groups and Sauk County. The employer historically has permitted and tolerated a moderate degree of variance in the internal settlements.[7]

There has been no such pattern established here either. In fact, in this set of negotiations the wage increases have varied from unit to unit. As the Union pointed out in its Reply Brief, none of the units received the same increase in percentage or dollars. The police got more.[8] The dispatchers got less. The only consistent proposal is the one dealing with the issue before the Arbitrator. Historically, there has also been no such pattern. A review of the prior contracts in all three units shows those same types of differences existed in earlier contracts. Therefore, the Arbitrator finds merit to this Union argument and it does affect the weight to be attributed to internal comparability.

The Arbitrator finds based on all the above that internal comparables deserves more weight than it was accorded in the earlier case before Arbitrator Tyson, because more units and employees are already under the provision in dispute. Conversely, the fact that the unit in question is the largest unit and because of a lack of internal consistency in overall bargaining, the weight to be given to this factor is less than the full

[7] Dec. No. 26359-B

[8] The Employer contends this was to catch them up to the other comparable Departments.

weight the Employer argues it should be given. It is an important factor, but not necessarily the controlling one.

Other Factors

The Arbitrator shall now turn to other factors that might be important in making the ultimate decision. The Employer is proposing to change an existing provision. To gain that change, it must show that there is a need to change the status quo. The Employer has offered several reasons why it believes it has shown that a need exists and why no quid pro quo is required. First, it has offered several cases by Arbitrator Weinberger to support its claim. In the alternative, it contends that cost sharing with employees is needed to bring health care costs under control and that Arbitrators have found this purpose when accompanied by a reasonable proposal from the Employer sufficient justification in itself for the change sought. Finally, it contends that since the only real issue in dispute is benefits that a change that will conform to the rest of the Employer's employees is also by itself a sufficient basis for the change without requiring a quid pro quo. Are any of those arguments applicable here? If not, has it then offered a quid pro quo for the change it seeks. The cases from Arbitrator Weinberger shall be addressed first.

Is there a Need for the Change

In Forest County Courthouse[9], the Employer had experienced the same dramatic increase in health insurance costs that this Employer has

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[9] Case No. 58796 (2001)

experienced. Arbitrator Weinberger found given the significant increase in insurance costs that the Employer proposal was the more reasonable one, even though no quid pro quo was offered. The Employer in that case like is the Employer here proposed increasing the percentage of premiums to be paid by the employee. However, a full review of the case shows that was only part of the story. The Union had also sought wage increases that were greater than the increases offered by the County. The total compensation package of the Union exceeded the Employer's. Given the rise in premiums, Arbitrator Weinberger felt this was too much money to ask the Employer to pay. The present case presents an entirely different set of facts. The Union's wage offer costs less than the Employer's. The Union proposal seeks to offset the increased cost to the Employer for insurance by lowering its wage demand below that of the Employer's. For that very reason, this Arbitrator cannot agree with the Employer that the first Weinberger case cited is relevant or should be followed.

In the second case by Arbitrator Weinberger,[10] she found that the "increasing health care costs paid by an employer reduce significantly or even eliminate the usual burden to provide special justification and a quid pro quo." In making that finding she observed that "the background of external public sector comparability data generally support the County's proposal." As was discussed earlier, that is not the case here.

[10] Pierce County, Dec. No. 28186-A (1995)

The external comparables have not made the change for the most part sought here. Furthermore, like was true in the other Weinberger case cited, there was no wage offer from the Union like that proposed here. Thus, this case too is distinguishable from the present case.

The Employer's next justification for its proposal is to point out that cost sharing has been a goal sought and obtained by employers in most public and private sector negotiations in recent times. It believes that because the basic purpose for the change, i.e. employee accountability, is so important, as other Arbitrators have found, and because its proposal is inherently reasonable, that a need has been shown and no quid pro quo is required.

The Employer raises a very valid point. This Arbitrator has heard several cases in recent years involving insurance and employee participation in that insurance. The rationale for this trend towards employee participation in insurance costs is to make employees aware of the need to control health care costs. Only if employees have a vested interest in keeping costs down, will they actively pursue that goal. Premiums climb as use increases. If employees give more thought to whether there really is a need to see a doctor before going, then they may make the decision that such a visit is really not necessary. By making that decision, costs are lowered and hopefully the cost for coverage similarly goes down or at least does not significantly increase. That is

why the trend has been towards employee contributions, deductibles and co-pays.

There is also merit to the question posed by Arbitrator Vernon. Why should these employees not also be required to shoulder their burden equally with other employees? All of this would seem to favor adopting the Employer's proposal in ordinary circumstances. The difficulty is that this case is not ordinary, but presents, instead, a very unique situation to the Arbitrator. The Union recognized all the above, and tried to soften the effects of these arguments by making its own very reasonable proposal. It is willing to take less in wages than the Employer is offering to pay so as to keep the insurance as is. Its proposal will actually cost the City less during the term of this agreement than would acceptance of the Employer proposal. The Employer proposal over three years will cost almost $50,000 more than the Union proposal. In fact, employees will actually realize a net gain, even after paying a portion of the insurance premiums under the Employer proposal over acceptance of the Union proposal. The Arbitrator has prepared a chart showing the additional monies that will be received by employees under the Employer plan versus the additional cost to the employee. The calculations assume the employee will be paid for 40 hours per week for 52 weeks. That computes to 2080 hours:

2002 Er $.44 - U .32= .12x 2080=$249.60 more under Employer proposal
2003 Er $.55 - U .32= .22x 2080=$457.60 more under Employer proposal
2004 Er $.67 - U .33= .34x 2080=$707.20= $1414.40

Insurance Premium Cost:
2003- $35.54 x 6 months = $ 231.24
2004 -$85.47 x 12 months = $1025.76= $1239
$1440.40- $1239 = $175.40

This chart uses family coverage for comparison. Obviously, not everyone has family coverage. For a person with single coverage, the net gain is substantially more.[11] Certainly, if the cost of insurance continues to rise, the net gain realized in this contract could be a net loss in future contracts, but it is impossible to predict whether that will occur.

The above demonstrates the dilemma faced by the Arbitrator. While it is true that the Employer's motives are just and its proposal is a reasonable one, so too is the Union proposal. Furthermore, unlike the unknown regarding savings versus cost of future insurance, the Arbitrator does know for a fact that the Union proposal has an impact beyond just the term of this agreement.[12] The actual dollar amount for wage increases each year is determined by the base wage that existed prior to the increase. The Union by accepting less for three years has not

[11] The Employer is also correct that when an employee works overtime the gain is even more. In addition, for retirement calculations, the higher rate offered by the Employer is more beneficial to the employee than the wage proposed by the Union.
[12] This premise assumes a percentage increase versus an across the board fixed cent increase.

only lowered the base for the term of this agreement, but for all succeeding years.[13]

The Employer, as noted has argued that it need not offer a quid pro quo, because its proposal is so reasonable. However, that argument could only ring true if its proposal were inherently more reasonable than the Union's. While requiring employees to pay a share of health insurance does promote better use of the plan by employees, the significantly less dollar figure associated with the Union offer offsets this argument. The laudable goal espoused by the Employer must be measured against actual dollar savings. The fact of the matter is that the offers from both sides are equally reasonable, and there is a rationale reason for selecting either one. This Arbitrator has dealt with cases where this was far from true. The Arbitrator must conclude on the whole that for all the above reasons this second argument of the Employer as to why it has proven a need exists must also be rejected.

The last argument from the Employer as to why its position should be adopted regardless of any quid pro quo is that the issue is benefits alone and where benefits are concerned uniformity is the key. The Arbitrator would be inclined to agree with the Employer on this point and pick its proposal to maintain uniformity among the bargaining units. Maintaining uniformity, however, requires that there had previously been

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[13] When the saving in contributions to Retirement, Social Security and overtime is added, the saving to the Employer are even greater in the long term.

uniformity that now needed to be maintained. As was noted earlier, the history has been just the opposite. This bargaining unit stayed under the old insurance plan, albeit by Arbitrator fiat, when the other units went under the new one. More importantly, the exhibits showed that when it came to wages, increases varied greatly. There was no inclination to provide everyone the same type of increase. Each unit received increases, for whatever reason, that varied from the increases received by the other units. Without such a pattern, the Arbitrator feels less compelled to adopt the Employer offer simply because benefits are involved. Therefore, the Arbitrator finds that since it is the Employer that is seeking to change the status quo and since the need for change has been offset by the terms of the Union proposal, and furthermore since there has been no pattern of uniformity in the past, that the only way the Employer can prevail is if it has actually offered a sufficient quid pro quo in order to get the change that it seeks.

The Quid pro Quo

The Police Unit received a 2% increase each January 1 and another 2% increase on July 1. This equates to a 3% annual increase with a 4% lift. The dispatchers received a $.50 increase in 2003 and a $.60 increase in 2004. Using the top rate, this equates to a 3% increase and a 3.5% increase. It was approximately the same amount in 2002. The City's wage offer equates to 2.8% increase in 2002, a 3.4% increase in 2003 and a 4% increase in 2004. The offer provides the same lift in wages as

the Police, but is more in terms of dollars since the entire increase is effective January 1, 2004. It is the same in dollars in 2003, but with less of a lift. The increase is lower in 2002. It is a smaller increase in the beginning than was given to the dispatchers, but more in the end. The comparable Cities received approximately a 3.5% average increase for 2003 and 2004. That is roughly the same increase offered by the City in 2003. The Employer's offer is only slightly higher in 2004. Despite providing the same wages, all but one of the comparable Cities continued to pay up to 105% of the lowest premium. Lake Delton, which the Employer argues is the most comparable of all the comparables, changed their insurance to require that which the Employer seeks here, but they also granted a wage increase in percentage terms that was higher than what is proposed here in both 2003 and 2004. Based on the above, the Arbitrator finds that the Employer has not offered a sufficient quid pro quo. Consequently, the Employer proposal must be rejected.

The parties will enter into negotiations for a new agreement in a few months. The Employer will again have the opportunity to gain the type of change that the Arbitrator has rejected here. Hopefully, at that point the parties can reconcile their differences.

AWARD

The Union's proposal together with the tentative agreement is adopted as the agreement of the parties.

Dated: April 23, 2004

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Fredric R. Dichter,
Arbitrator