IN THE MATTER OF THE INTEREST ARBITRATION PROCEEDINGS BETWEEN

CITY OF ALTOONA,

Employer,

and

ARBITRATOR'S AWARD
Case 30 No. 67722 INT/ARB-11110
Decision No. 32673-A
(Department of Public Works)

TEAMSTERS LOCAL 662,

Union.

Arbitrator: Jay E. Grenig

Appearances:

For the Employer: Stephen L. Weld, Esq.
Weld, Riley, Prenn & Ricci, S.C.

For the Union: Kyle A. McCoy, Esq.
Previant, Goldberg, Uelmen, Gratz, Miller, & Brueggeman, s.c.

I. BACKGROUND

This is a matter of final and binding interest arbitration for the purpose of resolving a bargaining impasse between the City of Altoona (City or Employer) and Teamsters Local 662 (Union). The Employer is a municipal employer. The Union is the exclusive collective bargaining representative for certain employees in the City's Department of Public Works.

On January 25, 2008, the City filed a petition requesting the Wisconsin Employment Relations Commission to initiate arbitration pursuant to

Section 111.70(4)(cm)6 of the Wisconsin Municipal Labor Relations Act. A member of the Commission's staff conducted an investigation reflecting that the parties were deadlocked on their negotiations.

By letter dated March 31, 2009, the WERC notified the arbitrator that he had been selected as the arbitrator in this matter. The arbitration hearing was conducted on June 24, 2009, in Altoona, Wisconsin. Upon receipt of the parties' reply briefs, the hearing was declared closed on August 15, 2009.

II. BARGAINING

The City has three collective bargaining units: the police unit (11 members), the Department of Public Works (7 members) and the clerical unit (2 members). In December, 2007, the police unit voluntarily settled its 2008-10 contract with the same wage increases, same effective dates, and same health insurance language as are in the City's final offer. The Teamster-represented DPW and clerical units have not settled. The parties stipulated that the clerical unit will abide by the Arbitrator's award in this proceeding.

In November 2007, the parties began negotiations for a successor to the DPW collective bargaining agreement that would expire on December 31, 2007. Bargaining sessions were held on December 11, 2007, and on January 10, 2008. Tentative agreements were reached at both sessions but, on January 23, 2008, the City filed a petition with the WERC requesting a WERC mediator.

On May 6, 2008, a WERC staff attorney assisted the parties in reaching a tentative settlement. Subsequently, the Union disputed the terms of the settlement. Unable to reach a voluntary agreement, the mediator determined in January 2009 that the parties were at impasse.

III. FINAL OFFERS

In this proceeding, two issues are in dispute. The first issue involves the question of when bargaining unit employees begin contributing toward health insurance premiums. Although the parties agree on the health insurance language, the City's final offer proposes that the 3% employee contribution toward premiums begins in January, 2008.

The Union's final offer includes the same language regarding health insurance premiums as the City's final offer. However, the cover letter for the Union's final offer states that the Union believed employee contributions would begin when the contract is signed. At the hearing, the Union asserted

that the employee contributions to health insurance premiums should begin in June 2008—the first month following the tentative settlement.

The second dispute is the date when the final wage increase in 2010 becomes effective. The proposed wage increases are as follows:

WAGE INCREASE

CITY:	3% - effective January 1, 2008
	2% - effective January 1, 2009
	2% - effective January 1, 2010
	1 % - effective December 31, 2010
UNION:	3% - effective January 1, 2008
	2% - effective January 1, 2009
	2% - effective January 1, 2010
	1%- effective July 1, 2010

IV. STATUTORY CRITERIA

111.70(4)(cm)

. . .

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.

V. POSITIONS OF THE PARTIES

A. The City

The City claims its final offer maintains internal consistency and should be selected on that basis alone. The City argues that it is generally recognized by arbitrators that settlements between an employer and other bargaining units should be given significant weight when determining which final offer should be awarded. It says the rationale for giving internal comparables significant weight is that voluntarily negotiated agreements represent the best evidence as to where the parties would have settled if they had reached an agreement.

The City points out the City Administrator testified that, when he was hired three years ago, he became the first City employee to contribute toward health insurance premiums. When the City's Finance Director was hired, he, too, was required to pay 5% of his health insurance premium. The most recently hired City Engineer contributes 10% towards his health insurance premiums.

If the Union is successful in this matter, the City says it has a very real concern that no bargaining unit will ever again settle first because the terms of that settlement will be the threshold, not the standard, for negotiations with the City's other bargaining units. Whatever the Union's position is regarding the implementation date of the 3% employee premium contribution, the City contends that anything other than a January 1, 2008, implementation date would reward the DPW and Clerical units for not settling. Similarly, the City asserts the DPW and Clerical units simply cannot be rewarded with an earlier 2010 wage increase than that voluntarily negotiated with the Police unit.

According to the City, for the Union to prevail, it must demonstrate that wages and health insurance contributions under the City's final offer

compare unfavorably, with the external comparables. It says that arbitrators have abided by the internal settlement pattern unless it can be shown that adherence to that pattern would cause an unreasonable or unacceptable result relative to the external comparables.

The City claims the Union has failed to demonstrate why the internal settlement pattern should be cast aside for the DPW employees. It claims the Union has offered no rationale for why it should be granted a more favorable wage increase in 2010 than the Police unit or why it should, unlike the Police unit, not be required to contribute toward health insurance premiums from January, 2008, on.

It is the City's position that the eight cities proposed by it provide an appropriate pool of external comparables. Pointing out this is the first arbitration case between the City and any of its bargaining units, the City states the selection of the appropriate external comparables is before the Arbitrator. Without evidence of where the Village of Plover falls in terms of population, equalized value and net tax levy, the City argues there is no evidence upon which to base a conclusion that it is, or is not, an appropriate comparable.

The City claims the external comparables demonstrate the reasonableness of the City's final offer. Claiming the Union has submitted no evidence supporting its proposal to delay implementation of the Employee's health insurance premium contribution or justifying a wage increase earlier in 2010 than that agreed to with the police unit, the City believes the Union simply cannot prevail. The external comparables simply do not support deviating from the internal settlement with the City's Police unit.

According to the City, the interests and welfare of the public are better served by adoption of the City's final offer. The City reasons that the underlying issue is the significance of the settlement with the police unit. It says that arbitrators have long recognized the problems incurred when one unit is given preferential treatment over another unit.

The City argues that an award favoring the Union will reward its members. However, it says that if the Union is successful here, all bargaining units will be reluctant to settle first. The City declares that voluntary agreements must be encouraged, not penalized.

It is the City's position that the cost-of-living changes and the recent economic decline demonstrate the reasonableness of its final offer. The City says there has been a significant and continuing decline in the CPI since Oc-

tober 2008, there is no reason to believe there will be any dramatic increase in the near future.

The City contends its offer reflects the deteriorating economic climate. The City says it anticipates losing $30,804 in state aid due to an estimated 2.5% reduction in municipal aid payments for 2010. It also notes the Wisconsin Retirement System has announced an 0.6% increase in the City's employee retirement costs, costing the City an additional $12,000 in 2010.

According to the City, the Union's failure to modify its final offer, in accordance with its "understanding" of the tentative settlement, must be considered fatal. Although the Union claims a misunderstanding resulting from the May, 2008, mediation session with respect to when employee health insurance contributions would become effective, the City contends the language in the parties' final offers is identical. Under those offers, Article 20, Section 1, which addresses health insurance, will be revised as follows:

> **Section 1.** After thirty (30) days of employment the Employer agrees to cover all of its employees and their dependents under a group health plan known for convenience purposes and identification purposes only as the "State of Wisconsin Plan," including basic Dental Insurance. ~~The Employer shall pay up to 105% of the lowest cost plan in the Eau Claire County service area. Effective January 1, 2005, the Employer shall pay 100% of the lowest cost plan offered for employees hired after this date.~~ In 2008, for employees hired prior to January 1, 2008, the City of Altoona will pay 97% of the premium for the lowest cost qualified plan in the service area. In 2009 for employees hired prior to January 1, 2008, the City of Altoona will pay 96% of the premium for the lowest cost qualified plan in the service area. In 2010, and thereafter, for employees hired prior to January 1, 2008, the City of Altoona will pay 95% of the premium for the lowest cost qualified plan in the service area. For employees hired on or after January 1, 2008, the premium payment shall be 90% of the lowest cost qualified plan.

The City claims the language is clear and unambiguous—the employer contribution "in 2008" is to be 97% of the premium of the lowest cost qualified plan. Therefore, in 2008, a 3% employee contribution is required. The City says there is no basis for the Union's position that the employee contribution should begin in June 2008, not January 2008. The City argues the language does not say, "effective in June, 2008" or "effective upon ratification" or "effective after the agreement is signed"—it says, "In 2008." If the Union's interpretation of the undisputed language is adopted, the City claims that arguably no employee contribution toward health insurance

premiums is required between January, 2008, and whatever date the Union now believes the employee contributions should become effective. The City says there is clearly ambiguity in the Union's final offer.

The City believes the Arbitrator must interpret the language as requiring employee contributions retroactive to January, 2008. To interpret the health insurance language in accordance with the Union's position would, in effect, be allowing the Union to modify its final offer after being certified. It declares the Arbitrator has no jurisdiction, and therefore no authority to permit the Employer to amend its final offer, which has been previously submitted to the WERC.

The City concludes that an interest arbitrator's job is to award the more reasonable Final Offer. It asks, what could be more reasonable than that which the parties voluntarily agreed to? What could be more reasonable than treating all bargaining units equally in terms of wage increases and health insurance premium contributions?

The City asserts that the Tentative Settlement in May, 2008, was consistent with the voluntary settlement with the City's police unit. It says the Tentative Settlement contained clear and unambiguous language calling for retroactive health insurance premium contributions, clearly and explicitly setting out the timing of wage increases over the three-year term. Finally, the City claims the worldwide economic collapse over the last six to nine months makes the City's offer even more reasonable than it was when the parties reached a tentative accord. For those reasons, as well as the other arguments presented in the brief, hearing testimony and exhibits, the City requests that its final offer be selected by the Arbitrator.

B. The Union

The Union argues the City failed to demonstrate how the Union's proposal would impact its ability to cope with budgetary restrictions or the levy limit. It says there is no evidence that the employer has been taxing at the maximum allowable rate. The Union points out the City never claimed an inability to pay the Union's proposal at the current taxation level and never stated that the only way it could afford the Union's proposal was to raise property taxes.

According to the Union, the factor given greater weight (7g) is not applicable here because the economic conditions of the municipal employer are not relevant when the economic conditions experienced by and within the City are the same conditions as those experienced by every one of the comparables and every other city in the state.

The Union stresses its proposal is not a drastic departure from the City's final offer; the additional cost is approximately $3,000. The Union recognizes the City can argue it has a reason to allocate funds elsewhere; however, if it wants to proffer an effective plea of poverty, the Union says the cost of the plea should not outweigh the difference in proposals.

There is no evidence that the taxpayers' financial burden would increase with adoption of the Union's proposal nor that the City is unable to pay it. Showing a calculated effect resulting from the slight difference between the proposals would likely cost more in accounting bills than implementation. Though the difference in proposal costs is slight, the Union's proposal trims the cost of finalizing an overdue contract by decreasing retroactive payments and shows that the City recognizes the value of these employees by granting five months for a 2010 1% wage increase "split" instead of only one month.

The Union urges that the public has an interest in keeping the City in a competitive position to recruit new employees, to attract competent experienced employees, and to retain valuable employees now serving the City. It says this is especially true in the public works sector, where these experienced employees keep the city operating during weather emergencies or unexpected infrastructure failures.

The Union states that comparability is the criterion that is, under most circumstances, given the greatest amount of weight by interest arbitrators. The Union explains that this is because voluntary settlement among a representative group of employees doing similar work in comparable communities is objectively reflected in a collective consensus of an appropriate wage increase. Additionally, the union says this collective consensus is extremely valuable because the parties, in the course of arriving at a satisfactory settlement, no doubt give due consideration to all the various factors affecting wage determinations, to wit, the cost of living, the total compensation of other public sector settlements, interest and welfare of the public, etc.

Stating that using the City's comparables the Union's offer is more reasonable than the City's, the Union argues its proposal becomes even more reasonable by taking into account the comparable not included by the City—Plover. The Union points out that in 2007, Altoona DPW workers received a wage of $19.10 per hour, while Plover's DPW workers received an average over $20. In January 2010, Plover's DPW unit will make an average over $22 yet Altoona's will make only $20.46 under both proposals. The Union asserts its proposal would work toward narrowing that gap in July 2010.

The Union acknowledges that the comparable insurance premiums provide little usable information. It notes that sharing is the new norm for health care costs, and the Union already agreed to begin paying an ever-increasing portion. The Union concedes that health insurance premium sharing is inescapable. However, the Union says its proposal would have the parties share retroactive payments at a more equitable level and still implement the City's desire for cost sharing which helps the City by granting employees a stake in the effort to control expenditures. The Union believes its proposal, to pay fourteen months of retroactive premiums, is more reasonable than paying twenty months' worth. According to the Union, asking the DPW employees to pay even further retroactive premium payments, when some City employees pay none at all, renders the Union's insurance premiums proposal more reasonable.

Asserting that a single settlement involving a single bargaining unit does not establish a pattern of settlement, the Union contends it is not holding out as a lone, rogue unit with respect to wages. Even if the non-represented employees mirror an internal settlement pattern, and there is no evidence they do or will, their result would be inapplicable. The internal comparables are not useful; therefore, this factor favors neither party on wages.

It is the Union's position that, under the City's proposal, the DPW employees would use their 2008 3% wage increase to pay for living costs which outpaced their slight raise and pay retrospective insurance premiums for six extra months. According to the Union, the net effect of increased premium sharing combined with a meager wage increase is that employees will see very little increase in their take-home pay prospectively.

When viewed against the comparables, the Union says its wage increase proposal is more reasonable. It states the same is true when simply viewing the proposals on their face—a "split" using December effectively eliminates the increase. To justify that, the Union argues two seemingly impossible things would need to occur in 2010, deflation and a drop in insurance costs. Accordingly, the Union claims its proposal, to have a true January/July split in 2010, is the more reasonable.

For all of the foregoing reasons, and on the record as a whole, the Union concludes the Arbitrator should select the Union's final offer as it is more reasonable and equitable than the City's.

VI. DISCUSSION

A. State Law or Directive (Factor Given the Greatest Weight)

In order for this factor to come into play, employers must show that selection of a final offer would significantly effect the employer's ability to meet State-imposed restrictions. *See Manitowoc School Dist.*, Dec. No. 29491-A (Weisberger 1999). No state law or directive lawfully issued by a state legislative or administrative officer, body or agency placing limitations on expenditures that may be made or revenues that may be collected by a municipal employer is at issue here.

B. Economic Conditions in the Jurisdiction of the Municipal Employer (Factor Given Greater Weight)

This factor relates to the issue of a municipal employer's ability to pay. While the economic situation is poor, the evidence does not show that the City's economic situation is worse than that in the comparable employers.

C. The Lawful Authority of the Employer

There is no contention that the City lacks the lawful authority to implement either offer.

D. Stipulations of the Parties

While the parties were in agreement on many of the facts, there were no stipulations with respect to the issues in dispute. They have reached agreement on a number of issues not in dispute here.

E. The Interests and Welfare of the Public and the Financial Ability of the Unit of Government to Meet these Costs

This criterion requires an arbitrator to consider both the employer's ability to pay either of the offers and the interests and welfare of the public. The interests and welfare of the public include both the financial burden on the taxpayers and the provision of appropriate municipal services.

The public has an interest in keeping the City in a competitive position to recruit new employees, to attract competent experienced employees, and to retain valuable employees now serving the City. Presumably the pub-

lic is interested in having employees who by objective standards and by their own evaluation are treated fairly.

F. Comparison of Wages, Hours and Conditions of Employment

1. Introduction

The purpose in comparing wages, hours, and other conditions of employment in comparable employers is to obtain guidance in determining the pattern of settlements among the comparables as well as the wage rates paid by these comparable employers for similar work by persons with similar education and experience.

2. External Comparables

One of the most important aids in determining which offer is more reasonable is an analysis of the compensation paid similar employees by other, comparable employers. The City suggests eight cities—Black River Falls, Chippewa Falls, Medford, New Richmond, Prescott, Rice Lake, Sparta and Tomah. The Union agreed at the hearing that the City's proposed comparables would be acceptable but proposed adding the Village of Plover to that group.

The City's proposed pool of external comparables is based on population, proximity to Altoona, equalized value, and net tax levy. The comparables proposed by the City are all located within an 85-mile radius of Altoona and have populations of one-half (3,591 in Black River Falls) to twice (13,515 in Chippewa Falls) the City's population of 6,770. The 2008 equalized value of the eight cities proposed by the City range from one/half ($211,917,200 in Black River Falls) to twice the equalized value of the City, with Chippewa Falls' equalized value of $739,166,200 only slightly more than twice that of the City's equalized value of $358,834,800. Likewise, the net tax levy of the eight cities complies with that benchmark—ranging from a 2007 levy of $5,085,568 in Black River Falls to $14,006,753 in Chippewa Falls, compared to a net levy of $7,011,847 in Altoona. The only evidence in the record related to Plover is a map showing that Plover (located near Stevens Point) is well beyond the 85-mile radius proposed by the City.

The record does not support including Plover as a comparable. First, Plover is over 100 miles from the City. The agreed upon comparables are all within 85 miles of the City. There are over 50 cities in Wisconsin with populations between 13,515 and 3,591. Two of those cities (i.e. Hudson and Merrill) are closer to the City than Plover, and these two cities are also

closer in population to the City than to Plover. There is no persuasive reason for including Plover in the list of comparables agreed to by the parties.

A comparison of contributions toward health insurance premiums provides support for implementing employee contributions in 2008. In 2008, only Black River Falls employees continued to receive 100% paid health insurance. The 3% employee contribution proposed to be effective in January, 2008, under the City final offer, is far less than the 10% employee contribution required in Medford, Rice Lake, and Sparta; less than the 5% contribution required in Chippewa Falls and Prescott; and potentially less than the $50 employee contribution in New Richmond and the $45 single/$110 family employee contributions in Tomah. The 3% wage increase exceeds the January 1 wage increase of all of the external comparables, with the exception of New Richmond (at 3.25%) and presumably Sparta.

3. Internal Comparables

Generally, internal comparables have been given great weight with respect to basic fringe benefits. *Rio Community School Dist. (Educational Support Team)*, Dec. No. 30092-A (2001 Torosian); *Winnebago Village*, Dec. No. 26494-A (Vernon 1991); *Rock Village (Deputy Sheriffs' Ass'n)*, Dec. No. 20600-A (Grenig 1984).

Only one City bargaining unit (police) has entered into a voluntary settlement. The remaining two bargaining units (DPW and clerical) are represented by the Teamsters. The parties have agreed that the contract for the clerical bargaining unit will be determined by the outcome of this arbitration proceeding.

G. Changes in the Cost of Living

The governing statute requires an arbitrator to consider "the average consumer prices for goods and services, commonly known as the cost of living." While a number of arbitration awards suggest that changes in the cost of living are best measured by comparisons of settlement patterns, such settlements, do not reflect "the average consumer prices for goods and services." Despite its shortcomings, the Consumer Price Index ("CPI") is the customary standard for measuring changes in the "cost of living."

The national CPI for Urban Wage Earners & Clerical Workers (CPI-W) shows the following:

Date	CPI-W	Wage Increase
December, 2007	4.3%	3%
December, 2008	-0.5%	2%

May, 2009	-1.9%	City final offer:	2% Jan. 1 1% Dec. 31
		Union final offer:	2% Jan. 1 1% July 1

When wage increases are measured against the CPI, the 3% wage increase in 2008 is less than the 4.3% increase in the CPI. On the other hand, the 2% wage increase in 2009 exceeds the CPI, which decreased 0.5% in December, 2008.

H. Overall Compensation Presently Received by the Employees

In addition to their salaries, employees represented by the Union receive a number of other benefits. While there are some differences in benefits received by employees in comparable employers, it appears that persons employed by the Employer generally receive benefits equivalent to those received by employees in the comparable employers.

I. Changes During the Pendency of the Arbitration Proceedings

The parties have not brought any changes during the pendency of the arbitration hearings to the Arbitrator's attention.

J. Other Factors

This criterion recognizes that collective bargaining is not isolated from those factors comprising the economic environment in which bargaining takes place. See, e.g., *Madison Schools*, Dec. No. 19133 (Fleischli 1982). Good economic conditions mean that the financial situation is such that a more costly offer may be accepted and that it will not be automatically excluded because the economy cannot afford it. *Northcentral Technical College (Clerical Support Staff)*, Dec. No. 29303-B (Engmann 1998). See also *Iowa Village (Courthouse and Social Services)*, Dec. No. 29393-A (Torosian 1999) (conclusion that employer's economic condition is strong does not automatically mean that higher of two offers must be selected or, conversely, a weak economy automatically dictates a selection of the lower final offer).

VII. CONCLUSION

While it is frequently stated that interest arbitration attempts to determine what the parties would have settled on had they reached a voluntary settlement (*See, e.g., D.C. Everest Area School Dist. (Paraprofessionals)*,

Dec. No. 21941-B (Grenig 1985) and cases cited therein), it is manifest that the parties' are at an impasse because neither party found the other's final offer acceptable. Realistically, if the parties reached a negotiated settlement, the final resolution would probably be the result of compromise and the outcome would be contract provisions somewhere between the two final offers here.

The arbitrator must determine which of the parties' final offers is more reasonable, regardless of whether the parties would have agreed to that offer, by applying the statutory criteria. The arbitrator must select the complete final offer. The arbitrator has no authority to pick and choose from the various items in the final offers.

The Union's letter of December 19, 2008, enclosing the Union's final offer noted that the only difference between the two offers "is the 2/1 split days. They believe it to be in December 2010 and our understanding was that it was in July of 2010." Acknowledging that there was no difference between the parties' health insurance contribution language, the Union observed that the City believed the employee health insurance contributions were to start on January 1, 2008, while the Union believed the employee contributions would begin when the collective bargaining agreement was signed. In its brief, the Union asserts that one of the unresolved issues is the retroactivity length for health insurance contributions. The Union says that employee "insurance contributions should be retroactive to July 1, 2008."

The Wisconsin interest-arbitration statute requires each party to submit in writing its final offer containing its final proposal on all issues in dispute to the WERC. Wis. Stat. § 111.70(4)(cm)6.am. The arbitrator is required to "adopt without modification the final offer of one of the parties submitted under subd. 6. am. except those items that the commission determines not to be mandatory subjects of bargaining and those items which have not been treated as mandatory subjects by the parties, and including any prior modifications of such offer mutually agreed upon by the parties under subd. 6.b. ...." Wis. Stat. § 111.70(4)(cm)6.d.

Even if the question of when the DPW employees were to begin premium contributions were in the final offers, delaying the consequences of making the agreement effective until the date of the award would have a negative impact on the City. *Cf. City of Tomah (Police)*, WERC Dec. No. 11050 (Christenson 1972). The consequences of delaying commencement of employees' paying their share of the premiums would result in the City's being required to pay the full premium despite language in the collective bargaining agreement providing that the sharing of premium costs commences on January 1, 2008. *Cf. Village of Shorewood (Police)*, Dec. No. 31061-A

(Greco 2005). Not only would this be unfair to the City, delaying the commencement of premium sharing could encourage unions to insist on interest arbitration in the future simply to delay implementation of a contract provision requiring employees to contribute to health insurance premiums or to pay increased co-pays. *Village of Shorewood (Police)*, Dec. No. 31061-A (Greco 2005) (where wages are retroactive, so too should be higher health insurance deductibles and drug co-pays, especially when supported by internal comparables).

For these reasons, the issue of when the employee health insurance premium contributions are to commence is not within the Arbitrator's jurisdiction in this proceeding. The Arbitrator is limited by law to selecting one of the parties' final offers. Unless modified with agreement of the other party, the Arbitrator is limited to the final offers submitted to the WERC. Questions of contract interpretation are normally not determined in an interest arbitration; they are more properly determined under a contract's grievance-arbitration provisions.

The only difference in the parties' final offers is the question of the split in the wage increases for 2010. The Union proposes a 2% increase on January 1, 2010, and a 1% increase on July 1, 2010. The City proposes a 2% increase on January 1, 2010, and a 1% increase on December 31, 2010.

In this case, there is no question regarding the ability of the Employer to pay either offer or the legal authority of the Employer to implement either offer. In terms of the final offers, the total cost differences over the life of the contract are relatively slight.

Given how close together the two offers are, the external comparables provide little helpful guidance. Two of the three comparables that have settled for 2010 have provided splits on January 1 and July 1. (The third provide a flat 56¢ an hour increase for 2010.) However, those two comparables provided lower percentage increases for DPW employees in 2008 than the City's offer provides for its DPW employees. In fact the City's offer provides for a 2008 increase greater than that provided by six of the eight comparables. (The seventh comparable gave a flat cents per hour increase that does not indicate the percentage increase.) While four of the eight comparables gave increases in 2009 greater than the 2009 percentage increase for the City DPW workers, it must be kept in mind that the 2008 City increase for DPW workers gave them a greater salary "lift" for 2009 and 2010.

The closeness of the comparison with the external comparables serves to increase the importance of the internal comparables. In any event, internal comparables of voluntary settlements carry heavy weight in interest ar-

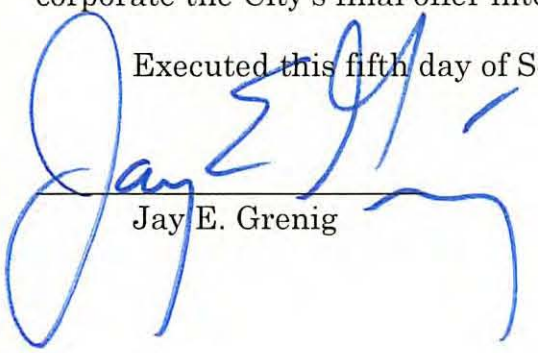
bitration. *See City of Milwaukee*, Dec. No. 25223-B (Rice 1988) ("If the Employer is to maintain labor peace within the many bargaining units with which it negotiates, changes in wages and benefits must have a consistent pattern.").

The City's police bargaining unit settled for a wage package identical to that in the City's offer here—even including a January 1, 2010, and December 31, 2010, split. Giving the DPW bargaining unit preferential treatment over the police bargaining unit would not have a positive impact on maintaining labor peace, and would, in effect, penalize the police bargaining unit for reaching a settlement first. This could create a problem for future negotiations. While the police bargaining unit is only one bargaining unit, there are only three bargaining units in the City—two of which are represented by the Teamsters.

VIII. AWARD

Having considered the applicable statutory criteria, all the relevant evidence and the arguments of the parties, it is concluded that the City's final offer is more reasonable than the Union's. The parties are directed to incorporate the City's final offer into their collective bargaining agreement.

Executed this fifth day of September, 2009.



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