

RECEIVED

NO. 07-133

In The Matter Of The Petition Of The:

CITY OF KIEL (Electrical Utility Department)

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

To initiate mediation-arbitration between  
said petitioner

and

Decision No. 22677-A

CITY OF KIEL ELECTRICAL UTILITY DEPARTMENT  
EMPLOYEES, LOCAL 2150, INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS, AFL-CIO

Appearances: Richard C. Darling, Business Manager, for the Union  
John I. Laun, Attorney at Law, for the Employer

The City of Kiel (Electrical Utility Department), hereinafter referred to as the Employer, filed a petition with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, wherein it alleged that an impasse existed between it and City of Kiel Electrical Utility Department Employees Local 2150, International Brotherhood of Electrical Workers, AFL-CIO, hereinafter referred to as the Union, in their collective bargaining. It requested the Commission to initiate mediation-arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. A member of the Commission staff conducted an investigation of the matter.

At all times the material herein the Union has been and is the exclusive collective bargaining representative of certain employees of the Employer in a collective bargaining unit consisting of all electricians, excluding the superintendent and department heads and all other employees of the Employer. The Union and the Employer have been parties to a collective bargaining agreement covering wages, hours and working conditions of the employees in the bargaining unit that expired on May 31, 1985. On March 19, 1985, the parties exchanged their initial proposals on matters to be included in the new collective bargaining agreement. Thereafter the parties met on one occasion in an effort to reach an agreement.

The Commission found that the Employer and the Union substantially complied with the required procedures prior to the initiation of mediation-arbitration and an impasse existed between the parties with respect to negotiations leading toward a new collective bargaining agreement covering wages, hours, and conditions of employment. On May 20, 1985, the Commission issued an order

directing that mediation-arbitration be initiated. On June 3, 1985, it appointed Zel S. Rice II as the mediator-arbitrator to mediate the issues in dispute. In the event that such endeavor did not result in a resolution of the impasse between the parties, the Commission directed the mediator-arbitrator to issue a final and binding award to resolve the impasse by selecting either the total final offer of the Employer or the total final offer of the Union.

A mediation session was conducted on August 27, 1985, at Kiel, Wisconsin. After a period of mediation the Employer indicated that it could not accept any of the proposals of the Union and it was unwilling to make any further concessions. The Union indicated that it could not agree to any proposal that had been made by the Employer. The mediator-arbitrator declared the mediation phase of the proceedings at an end and the arbitration phase commenced immediately.

The only issue that remains unresolved between the parties is the issue of wages. The Union's final offer, attached hereto and marked Exhibit "A", proposes that effective June 1, 1985, wages for the employees in the bargaining unit be increased by 4%, and on July 1, 1986, the wages would increase by another 4.5%. The final offer of the Employer, attached hereto and marked Exhibit "B", proposed that effective June 1, 1985, the employees represented by the Union receive a 3% increase across-the-board and on July 1, 1986, they receive an additional 4% increase across-the-board.

There are three employees in the bargaining unit represented by the Union. The prior agreement between the parties covered the period from June 1, 1983, to May 31, 1985. It contained a provision that employees in the bargaining unit would be covered for hospital and surgical insurance under the existing Blue Cross plan with the Employer. The Employer agreed to pay 100% of the single and family plan premiums and it provided that any change in the insurer would be by mutual agreement. Sometime in the latter part of 1984, Blue Cross notified the Employer that the premium for the family plan would increase from \$220.32 per month to \$319.14 per month and that rate would take effect on January 1, 1985. The Employer began to investigate the possibility of obtaining a new insurer that might provide the same coverage at a lower premium. When the Union learned what the Employer intended to do, it met with the Employer and pointed out that any change in the insurer had to be mutually agreed upon under the terms of the

collective bargaining agreement then in force. The new rate of \$319.14 per month for the family plan premium went into effect on January 1, 1985, and remained in effect until March 31, 1985. During that period the Employer and the Union had discussions and eventually the Union agreed that the Employer could obtain a new insurer that would provide similiar coverage at the rate of \$196.93 per month. The new insurer began to provide coverage on April 1, 1985, at the rate of \$196.93 per month as per the agreement between the parties. Immediately thereafter negotiations began for a new collective bargaining agreement that would become effective June 1, 1985.

The Employer has reached an agreement with the labor organization representing employees in the Police Department that covered a two year period from July 1, 1984, to June 30, 1986. The first year of that agreement called for a freeze in the annual salary but the number of hours worked was reduced from 2,080 hours per year to 1,952 hours. On July 1, 1985, employees in the Police Department bargaining unit received a 3% increase in wages. The Employer has a two year agreement with the employees in its Street Department covering the period from July 1, 1984, to June 30, 1986. Employees in the Street Department received an increase of 26¢ per hour on July 1, 1984, and another increase of 44¢ an hour effective July 1, 1985. The agreement with the employees in the Street Department resulted in an 8% increase for those employees over the two years.

Effective July 1, 1985, a lieutenant in the Police Department receives \$10.70 an hour, a sergeant receives \$10.27 an hour, and a patrolman receives \$10.12 per hour. Employees in the Employers Street Department in the classification of lead man, plant operator, and laboratory technician receive \$9.59 an hour. Employees in the classifications of crew man and plant maintenance receive \$9.33 an hour and employees in the classifications of helper and custodian receive \$8.48 per hour.

Algoma has reached agreement with the employees of its utility for the period from January 1, 1985, to December 31, 1986. In 1985, a foreman will receive \$10.47 per hour and in 1986 his rate will be \$10.94 per hour. A journeyman lineman will receive \$9.60 an hour in 1985 and \$10.09 an hour in 1986. Technicians, meter readers, and groundmen will have starting wages of \$7.79 per hour during 1985 and that rate will increase to \$9.42 an hour after four years.

In 1986, the starting wage in those classifications will be \$8.09 per hour. New Holstein has reached agreement with the employees in its municipal utility for the period from January 1, 1985, to December 31, 1985. Employees in the classification of foreman will receive \$12.26 per hour including COLA provisions that became effective July 1, 1985. A journeyman lineman will receive \$11.76 an hour and an apprentice lineman will receive \$11.46 per hour. Plymouth has reached a two year agreement with the employees in its electrical utility. Employees in the classification of foreman will receive \$11.24 an hour effective January 1, 1985, \$11.39 an hour effective July 1, 1985, and \$11.85 an hour effective February 15, 1986. Employees in the classification of journeyman lineman will receive \$11.04 per hour effective January 1, 1985, \$11.19 an hour effective July 1, 1985, and \$11.64 effective February 15, 1986. Employees in the classification of apprentice lineman will receive wages effective January 1, 1985, ranging from \$9.89 an hour to \$10.75 an hour. On July 1, 1985, that pay range will be increased and will range from \$10.04 an hour to \$10.90 an hour. On February 15, 1986, the pay range for apprentice lineman shall be between \$10.44 an hour and \$11.34 an hour. Plymouth will pay its employees in the classifications of technician, meter reader, and groundman \$10.04 per hour on January 1, 1985, \$10.19 an hour on July 1, 1985, and \$10.60 an hour on February 15, 1986. Sheboygan Falls has an agreement with the employees of its electrical utility covering the period from July 1, 1984, to June 30, 1986. Employees in the classification of foreman will receive \$10.64 an hour effective July 1, 1984, and \$11.17 an hour effective July 1, 1985. Those employees who elect to participate in the HMO insurance program will receive \$11.45 an hour. Employees in the classification of journeyman lineman receive \$10.35 an hour effective July 1, 1984, and \$10.87 an hour effective July 1, 1985. Those employees who participate in the HMO insurance program will receive \$11.14 an hour effective July 1, 1985. Apprentice linemen were in a pay range from \$8.54 an hour to \$10.23 an hour effective July 1, 1984. On July 1, 1985, that pay range increased and ranged from \$8.97 an hour to \$10.74 an hour. Those apprentice linemen who participated in the HMO insurance plan received pay ranging from \$9.19 an hour to \$11.01 an hour. Employees in the classification of technician, meter reader, and groundman received \$8.72 an hour effective July 1, 1984, and \$9.16 an hour effective July 1, 1985. Those employees who elected to par-

ticipate in the HMO insurance program received \$9.39 an hour.

The Employer paid its foreman \$12.11 an hour on June 1, 1983, and \$12.76 an hour on June 4, 1984. It proposes to pay the foreman \$13.14 an hour effective June 1, 1985, and \$13.67 an hour effective July 1, 1986. It paid its lead man \$11.64 an hour on July 1, 1983, and \$12.29 an hour on June 4, 1984. It proposes to pay the lead man \$12.66 an hour effective June 1, 1985, and \$13.17 an hour effective June 1, 1986. The Employer's pay rate for a journeyman lineman on June 1, 1983, was \$11.18 an hour and on June 4, 1984, it was increased to \$11.83 an hour. It proposes to pay a journeyman lineman \$12.18 an hour effective June 1, 1985, and \$12.67 an hour effective July 1, 1986. The Employer paid its apprentice lineman \$9.17 an hour effective June 1, 1983, and \$9.82 an hour effective June 4, 1984. It proposes to pay the apprentice lineman \$10.11 an hour effective June 1, 1985, and \$10.51 an hour effective July 1, 1986.

During the period from 1979 to 1984 the Employer has increased the wages of its supervisors 52% and street employees received increases totaling 45%. The Police Department employees had their annual wages increased a total of 38% during the same period but their hours were reduced from 2,040 hours per year to 1,952 hours per year. Employees in the Waste Product Treatment Plant received increases totaling 45% during that period. The Employer gave its foreman in the Electrical Department increases totaling 50% during the period from 1979 to 1984. The journeyman lineman received increases totaling 51.5% and the apprentice lineman received increases totaling 57% during that same period.

During the period from May of 1984 to May of 1985 the consumer price index for urban wage and clerical workers increased from 305.4 to 317.8 which was an increase of 4.1%. From January 1, 1986, to June 30, 1987, the Employers pension costs will increase by 1% based on the payroll. The health insurance premium was \$220.32 per month for the family coverage. On January 1, 1985 the family premium increased to \$319.14 per month. Negotiations between the Employer and the Union after January 1, 1985, resulted in a change of insurers prior to the expiration of the old collective bargaining agreement and the cost of the family premium was reduced to \$196.93 per month effective April 1, 1985. This resulted in an immediate decrease in the cost of insurance of \$122.21 per month for each of the three employees for a total of \$366.63 per month. During the period from June 1, 1984, to May 31, 1985, the Employer paid its electrical utility foreman

\$12.76 an hour for a total of \$26,540.80. Its journeyman lineman received \$11.83 an hour or \$24,606.40 per year. The apprentice lineman received \$9.82 an hour or \$20,425.60 for the year. The total wage cost of the Employer from June 1, 1984, to May 31, 1985, was \$71,572.80.

The Union proposes an increase of 4% for the next 13 months. Its foreman would receive \$13.27 for the next 13 months for a total of \$29,901.29. A journeyman lineman would receive \$12.30 for an hour for the next 13 months or \$27,715.59. An apprentice lineman would receive \$10.21 an hour for the next 13 months or a total wage of \$23,006.19. The total wages paid for the 13 months between June 1, 1985, and June 30, 1986, would be \$80,623.07. A 4% wage increase over 13 months is equal to an approximate annual increase of 3.9%. The Employer proposes a 3% increase for the 13 month period from June 1, 1985, to June 30, 1986. Under its proposal the foreman would receive \$13.14 an hour over the next 13 months for a total of \$29,608.36. The journeyman lineman would receive \$12.18 an hour for the 13 month period of \$27,445.19. The apprentice lineman would receive \$10.11 an hour for the next 13 months for a total of \$22,780.86. The total cost of the Employer's wage proposal for the 13 month period would be \$79,834.41. The dollar increase of the Union's proposal for the 13 month between June 1, 1985, and June 30, 1986, is \$9,050.20 more than the Employer's wage cost for the 12 month period between June 1, 1984, and May 31, 1985. The Employer's proposal of a 3% increase over the same 13 months would result in an increased wage cost of \$8,261.61 over the cost for the preceding 12 months. The Union's proposal for the 13 month period from June 1, 1985, to June 30, 1986, would cost \$788.66 more than the proposal of the Employer for that same period.

The Employer's health insurance premium for the family plan for the period from January 1, 1984, to December 31, 1984, was \$220.32 per month. The rate increased on January 1, 1985, to \$319.14 per month but the Union agreed to a change of insurers effective April 1, 1985, resulting in a decrease of the monthly cost of the family plan to \$196.93 per month. The Employers annual insurance cost for this bargaining unit for the period from January 1, 1984, to December 31, 1984, was \$7,931.52. The total cost of the insurance plan for this bargaining unit during the period from January 1, 1985, through March 31, 1985, was \$2,872.29. The Employers total insurance premium cost for this bargaining

unit for the period from April 1, 1985, to December 31, 1985, will be \$5,317.11. The total insurance premium cost of the Employer for 1985 will be \$8,189.40 as compared to its 1984 insurance premium cost of \$7,931.52.

The old collective bargaining agreement provided an average wage of \$11.47 an hour and the employees worked 173.3 hours per month. The average monthly wage of an employee was \$1,987.75 and the total monthly wages of the three employees was \$5,963.25. The insurance premium that became effective January 1, 1985, was \$319.00 per month for the family plan and the monthly cost for the three employees was \$957.00. The total monthly cost of wages and insurance for the period from January 1, 1985, to March 31, 1985, was \$6,920.25. Increasing the average monthly wage of \$5,963.25 by 4% would result in an average monthly wage cost of \$6,201.78. The average monthly insurance premium of \$196.00 for the family plan would cost the Employer \$588.00 per month. The total monthly cost of the Union's proposal for the period from June 1, 1985, to July 1, 1986, would be \$6,789.78 which is \$138.47 less than the Employers actual monthly cost during the first three months of 1985. The Employer would have an additional pension cost of  $\frac{1}{2}\%$  in the first year of the proposal totaling \$186.00 but it has realized savings resulting from the implementing of the new insurance carrier two months early and by extending the collective bargaining agreement over a period of 25 months.

The City of Wisconsin Rapids began paying its journeyman lineman \$14.05 an hour on January 1, 1985. That was an increase of 5% over the preceeding year. On January 1, 1986, it will pay those employees \$14.82 an hour. That will be a  $5\frac{1}{2}\%$  increase. The City of SheyboGAN Falls paid its journeyman lineman \$10.31 an hour effective July 1, 1984, which was a 3% increase. On July 1, 1985, it gave those same employees an increase of 5% resulting in an hourly rate of \$10.75 per hour. Those employees received an additional  $2\frac{1}{2}\%$  increase if they selected an HMO insurance plan. The City of Jefferson paid its journeyman lineman \$11.64 an hour effective January 1, 1985. That was an increase of 4% over the preceeding year. Those employees will receive a rate of \$12.11 an hour on January 1, 1986, which will be another increase of 4%. The City of Menasha gave the journeyman linemen employed in its electrical utility increases of 3% on January 1, 1985, and 1.5% on July 1, 1985. They will receive another increase of 4.5% effective January 1, 1986. The City of Plymouth gave the employees in its electrical uti-

lity increases of 4½% on January 1, 1985, and they will receive another increase of 4% on January 1, 1986. The City of Kaukauna paid its journeyman lineman \$13.37 as of January 1, 1985, which was a 4½% increase over the preceeding year. Those employees will receive \$13.97 per hour on January 1, 1986, which is another increase of 4½%. The City of Oconomowoc paid the journeyman linemen employed by its electrical utility \$13.74 an hour as of January 1, 1985, which was a 4.3% increase over the preceeding year. On January 1, 1986, the journeyman linemen will receive \$14.29 per hour, an increase of 4%. The Wisconsin Electric Company is a private utility operating in the Employer's area. The journeyman linemen received \$14.85 an hour as of August 16, 1984, which was a 4.75% increase over the preceeding year. On August 16, 1985, the journeyman linemen were increased another 4.75% and their wage rate was \$15.56 per hour.

In 1977, the Employer gave its street employees increases of 7% on June 1, 1977. The employees represented by the Union received wage increases of 7.5% effective that same day. In 1978, the Employer gave it street workers wage increases of 8% effective June 1, 1978, and it gave the employees in its electrical utility increases of 6% effective that same day. In 1979, the Employer gave its street workers increases of 42¢ an hour effective June 1, 1979. Its foreman in the electrical utility received an increase of 75¢ an hour and the journeyman lineman received an increase of 70¢ per hour and the apprentice lineman received an increase of 60¢ per hour on that same date. In 1980, the Employer gave its police increases of 9.7% effective July 1, 1980. On June 1, 1980, the foreman and the electrical utility received an increase of 75¢ an hour and the journeyman lineman received an increase of 70¢ an hour and the apprentice lineman received an increase of 60¢ per hour. The Employer gave its police a wage increase of 9.5% effective July 1, 1981. Its electrical workers received a wage increase of 6% on June 1, 1981, and another 6% on December 1, 1981. The Employer gave its street workers a wage increase effective June 1, 1982, of 58¢ per hour. The employees in this bargaining unit received a wage increase on that same date of 9% plus 12¢ per hour. The Employer gave its street workers a wage increase of 66¢ per hour effective June 1, 1983, and the employees in this bargaining unit received a wage increase of 65¢ per hour on that same date. In 1984, the street workers received a wage increase of 26¢ an hour effective July 1, 1984. The Employer gave its street workers an increase



of 44¢ an hour effective July 1, 1985, and it is offering the employees represented by the Union an increase of 3% on July 1, 1985. For the two years from July 1, 1984, to June 30, 1986, the Employer has agreed to give its street workers increases totaling 8%. For the period June 1, 1985, to July 1, 1987, a 25 month period, the Employer has offered the employees represented by the Union two increases totaling 7%.

#### UNIONS POSITION

The Union argues that the collective bargaining agreements negotiated by the Employer and its various bargaining units have never been identical. It points out that the Employer contracted to pay its Street Department employees a 3% wage increase in the year July 1, 1984 to June 30, 1985. The term of the contract in dispute runs from June 1, 1985 to June 30, 1986 with a second year from July 1, 1986 to June 30, 1987. The Union contends that comparisons of wage rates and settlements must be compared using the same base time frame. The Union asserts that the wage increases for the years 1985 and 1986 for every municipal utility with which it negotiates are in the range of 4% to 5% each year. It points out that the City of Sheboygan Falls negotiated an increase of 3% for the year ending June 30, 1985 and agreed to another increase of 5% on July 1, 1985. The wage increases for the Sheboygan Falls utility employees totaled 8% over the two years with the potential of an additional 2.5% if an employee selected an HMO. The Union argues that the settlement demonstrates that the health insurance premium is a consideration in the final cost of a negotiated settlement.

The Union points out that it represents and negotiates for utility employees in four municipalities including the Employer's neighboring City of Kaukauna. The total wage increases over a two year period in those four settlements ranged from 8% to more than 10%.

The Union argues that the cost of its proposal over that of the Employer over the two year period is \$788.66. It points out that this amounts to \$262.89 more per employee over the two years than the Employer's proposal. The Union contends that the consumer price index increase for the 12 month proceeding May of 1985 was 4.1% and it argues that it will go no lower in the next 12 to 24

months. It asserts that the Employer has adequate revenues to provide the wage increase sought by it. The Employer has not filed for rate increases since 1981 and that at that time they were granted a 5% increase. Actually the Employer had a 5.7% rate of return in 1984 even though its rates for electricity are among the lowest in the state.

The Union asserts that the Employer negotiated settlements with its street workers and police that totaled 8% over a two year period although it was not the same two year period for which the Union is now bargaining. They compare this with the increases totaling 7% that the Employer is offering it over a different 25 month period but a 13 month overlap.

The Union contends that the total health insurance premium costs of the Employer would have been \$11,489.00 annually if it had not agreed to a change in the insurer. It points out that it agreed to change the insurer before the expiration of the old collective bargaining agreement and the Employer was able to save \$4,399.56. The Union asserts that it entered into negotiations to change insurers prior to the expiration of its old collective bargaining agreement for the purpose of negotiating a health insurance premium that would save the Employer a substantial amount of money. It argues that its wage demand is not excessive in itself and is very reasonable when the saving resulting from the lower health insurance premium is considered.

The Union argues that the Employer's utility employees should receive wage rates and wage increases similar to those of other utility employees in other municipalities. It contends that its proposal maintains the Employer's utility employees in their traditional position on the wage ladder. The Union points out that it is not claiming catch-up and the Employer has not claimed that its employees are ahead of other municipalities. The basic thrust of the Union's position is that the employees it represents perform all functions of work on the electrical system including maintenance, construction and emergencies as they arise. It argues that wages must be compared based on the "job content" and not just the size of the Employer. It asserts that the utility employees in other communities that receive lower wages only maintain their facilities and construction projects are contracted out.

#### EMPLOYERS POSITION

The principal argument of the Employer is that the wage increase it propo-

ses is fundamentally fair when compared to the wages, hours and conditions of employment of its employees and employees in electrical utilities of similiar communities. It argues that its proposal would continue to pay its utility employees well when compared to Police Department employees and Street Department employees. It contends that it would maintain the historical differential between the utility employees and the Police Department employees and Street Department employees. The Employer argues that it has recognized that a valid reason exists for paying utility employees higher wages than Street Department and Police Department employees because of the training required and the possible danger involved in the work of the electrical utility employees. It contends that it has established a differential between the electrical utility employees and its other employees in prior bargaining and it now proposes to provide an identical increase in percentage terms for all of its employees. The Employer points out that the utility employees represented by the Union have received substantially higher increases in prior years than other municipal employees. It takes the position that the electrical utility employees have been better paid than its other employees in the past and it proposes to maintain the difference in wage but will not expand it.

The Employer concedes that utility employees in the private sector are paid more than its utility employees, but it argues that its utility employees do not do all the work that the private sector utility employees do. It asserts that the private industry linemen have higher voltages to contend with as well as complex substation and switching work to do and are required to be more knowledgable than its employees. The Employer contends that the greater potential of danger and the greater complexity of work required of private sector utility employees are reflected in the higher rates that they receive when compared to the rate of its utility employees.

The Employer contends that its utility employees are well paid with respect to other municipal electrical utility employees performing similiar work. It points out that Plymouth and Sheyboygan Falls are larger than it but their pay scales are lower for utility employees. It argues that it is paying its electrical utility employees substantially better for similiar work than the nearby communities of New Holstein, Plymouth and Sheyboygan Falls.

The Employer argues that there is no justification for increasing the

discrepancies between the high level of wages paid to its utility employees and the lower wage levels paid to other municipal electrical utility employees in the immediate vicinity.

The Employer concedes that the Union agreed to a change in the health insurance carrier that resulted in a saving but points out that its other bargaining units did the same.

The Employer asserts that its electrical utility employees have received substantially higher wages over the last five years than the private businesses in the community.

#### DISCUSSION

Section 111.70(4)(cm)7 of the Wis. Stats. spells out the factors that the arbitrator must consider in reaching a decision. The lawful authority of the Employer and the stipulations of the parties are not factors that have impact in this dispute and do not give any particular validity to the position of either party. The Employer does have the financial ability to meet the cost of the proposed settlement and the interest and welfare of the public is not a factor that tends to support the position of either party over that of the other. The cost of living increased slightly more than 4% during the last year of the collective bargaining agreement between the parties that expired on May 31, 1985. The Union's proposal of a 4% increase commencing June 1, 1985 is closer to the increase in the cost of living than the Employer's proposal of 3%. The overall compensation presently received by municipal employees is not a factor in this dispute. There has been agreement on the amount of the health insurance premium and the benefits that will be provided. The same insurance program is provided to all of the employees of the Employer and there is no issue involving vacation, holidays, pension or stability of employment. There have been no changes involving any factors during the pendency of the arbitration proceedings that would impact upon the arbitrator's award.

The decision of the arbitrator is based on a comparison of the wages of other employees performing similiar services and with other employees generally in public employment in the same community and in comparable communities and the factors normally and traditionally taken into consideration in the determination of wages in voluntary collective bargaining and arbitration.

The cost of living factor favors the position of the Union and that is the only factor other than comparability and the normal considerations of collective bargaining that have any significance in determining which proposal of the parties meets the statutory criteria.

With respect to the internal comparison, the Employer's proposal meets that criteria very well for the first year of the agreement. The Employer has reached agreement with its Police Department bargaining unit on a 3% increase effective July 1, 1985. That is the second year of a two year agreement between the Employer and its Police Department bargaining unit that provided a 6.5% hourly increase on July 1, 1984 and a 3% increase on July 1, 1985. The Employer has a two year agreement with the employees in the bargaining unit consisting of street workers that provides a 3% increase on July 1, 1985. That increase is the second year of a two year agreement between the street workers bargaining unit and the Employer. During the first year of that agreement the Employer gave its street workers a wage increase of 5%. The Employer and the Union have reached agreement on wage levels through collective bargaining for a number of years. The Employer reached agreement with the bargaining units consisting of police and street employees through bargaining. As a result of that bargaining, relationships have been developed between the employees represented by the Union and employees in the Street Department and Police Department. On May 31, 1985, which was the date on which the old collective bargaining agreement between the Employer and the Union expired, the Employer paid its foreman \$12.76 per hour and its leadman \$12.29 per hour and its lineman A \$11.83 an hour and its lineman B \$9.82 an hour. At that same time the Employer paid \$10.39 to a lieutenant, \$9.97 an hour to a sergeant and \$9.82 an hour to a patrolman. The Employer paid \$9.31 an hour to a leadman in the Street Department and \$9.06 to a crewman and \$8.23 an hour to a helper. The employees in the Police Department and Street Department each received 3% increases on July 1, 1985 and the Employer now pays \$10.70 an hour to the lieutenant and \$10.27 an hour to a sergeant and \$10.12 an hour to a patrolman and \$9.59 an hour to a leadman in the Street Department and \$9.33 an hour to a crewman and \$8.48 an hour to a helper.

The 3% increase proposed by the Employer for the 13 month period beginning June 1, 1985, would maintain the previously bargained relationships between the employees in the utility and the employees in the Police Department and Street

Department for that 13 month period. That meets the statutory objective of internal comparability and maintains the traditional relationships between the bargaining unit until at least June 30, 1986. At that time the Employer's proposal would provide the employees represented by the Union with a 4% increase. The factors normally and traditionally taken into consideration in the determination of wages in voluntary collective bargaining and arbitration make that unacceptable. If an Employer seeks to utilize the factor of internal comparability to justify a wage proposal it must be comparing apples with apples and not apples with oranges. Here the Employer proposes to use the second year of the agreements with the Police Department and Street Department employees to justify a wage proposal for two years on the basis of internal comparability. That is not the concept of internal comparability contemplated by the statutory criteria. It is particularly unacceptable in the situation such as this where the Employer gave the Street Department and Police Department employees substantial increases of at least 5% during the first year agreement and then attempts to impose the 3% increase for the second year for the first year of its new agreement with the Union. That kind of leapfrogging distorts the concept of internal comparability.

When the Employer's wages for its utility employees are compared with those of the nearby communities of Algoma, New Holstein, Plymouth and Sheboygan Falls it reveals that for the past several years the Employer has paid its utility employees higher wages than those paid by the nearby communities. These differentials reflect the results of collective bargaining between the various communities and their utility employees. The Union points out that these differentials also reflect a recognition of the fact that the employees it represents perform all functions of work on the electrical system, including construction, while the lower paid utility employees in the nearby communities are primarily maintenance workers.

The Union represents the employees of the municipal utilities in the nearby community of Kaukauna and the cities of Wisconsin Rapids and Oconomowoc. The utility employees in each of those communities were all paid a higher wage during 1984 and the first half of 1985 than the Employer paid its utility workers. Still those same employees all received wage increases in 1985 ranging from 4% in the City of Jefferson to 5% in the City of Wisconsin Rapids. During

1986 they will all receive wage increases ranging from 4% in the City of Jefferson to 5½% in the City of Wisconsin Rapids. The City of Algoma electrical utility workers will receive 4.4% increases on December 31, 1986. The Plymouth utility workers received increases of 4½% on January 1, 1985 and they will receive another 4% on January 1, 1986. Sheboygan Falls gave its utility employees an increase of 5% on July 1, 1985 and they will be eligible to receive another 2½% increase if they select the HMO insurance. It is obvious that the Employer pays a somewhat higher scale to its utility employees than all of the other municipal utilities in the immediate area except Kaukauna. Its wages are somewhat lower than the employees of the municipal utilities in Oconomowoc and Wisconsin Rapids but higher than Jefferson. The increases received by all of those utility employees in 1985 range from a low of 4% to a high of 5%. In 1986, they will receive increases ranging from 4% to 5½%.

It is obvious that the Employer's wages for municipal employees in its area are on the high side but they are on the low side when compared with the wages of other municipal utilities with whom the Union negotiates. In any event those relationships were worked out as a result of bargaining and the arbitrator is unwilling to disturb them by an increase that departs from the pattern increase of 4% or more and disrupt the relationships established by bargaining. The Employer should be required to give its municipal utility employees increases that will maintain the existing relationships with other municipal utilities and their employees who perform similar services that were established through collective bargaining. Implementing the Union's proposal of 4% on June 1, 1985 and 4½% on July 1, 1986 will do that. If the Employer's proposal was selected it would depart from the normal pattern of increases being given to municipal utility employees for whom the Union negotiates and for the employees of other municipal utilities in the area and disrupt the existing relationships that have been established in collective bargaining.

The Employer argues that the wage increase it proposes would maintain the historical differential between its utility employees and the Police Department and Street Department employees. That is not correct. The negotiating history of the parties can be traced back to 1977 and it demonstrates that the differential has fluctuated and the wage settlements negotiated by the Employer with the Union and with the bargaining units representing the Police Department and

Street employees have never been identical. The Employer does propose a wage increase for the Union that provides the same increase for the period from July 1, 1985 to June 30, 1986 that it has agreed to pay its other bargaining units. However, those agreements were for two years and they provided a 5% increase the first year and a 3% increase the second year. Now the Employer seeks a 25 month agreement with the Union that provides the same 3% increase for the first 13 months that it is paying its Street Department and Police Department employees for the second year of their agreement. The proposal would provide the Employer's utility employees a 4% increase beginning July 1, 1986 for a total of 7% over the two years. The Employer's proposal would continue the existing relationships between its utility employees and the employees in the Street Department and Police Department for the period from July 1, 1985 to June 30, 1986. The Employer has a two year agreement with its Street Department and Police Department employees that provides an 8% increase over a two year period. It proposes to give the utility employees a 7% increase over a 25 month period. 13 months of those two year agreements overlap. The Union would propose increases totaling 8.5% for the 25 month period that the Employer proposes increases totaling 7%. The 25 month proposal of the Union comes closer to providing total increases comparable to the total of the increases for the last two years given by the Employer to its Street Department and Police Department employees than the Employer's final offer does. The Union's proposal is very comparable to the increases paid by other municipal utilities with which the Union negotiates and those in the Employer's immediate area.

The Employer argues that the wage increase it proposes is fundamentally fair when compared to the wages of its other employees. While it does propose to give the utilities employees the same increase for a 13 month period that it is giving its Police Department and Street Department employees for a 12 month period it proposes to give its utility employees increases totaling 7% over a 25 month period while it gave its Police Department and Street Department employees increases totaling 8% over two years.

The proposal of the Union of a 4% increase for the first 13 months and a 4½% increase for the year beginning July 1, 1986 is very comparable to the percentage increase pattern established through bargaining by the other municipal utilities that the Employer and the Union use as comparables. The arbitrator



will not disrupt the relationships that have developed between the Employer's utility employees and the employees of other municipal utilities by imposing a percentage increase that departs from the pattern established through negotiations. The Union's proposal falls within the pattern of percentage increases that municipal utilities have given their employees during the period from June 1, 1985 to June 30, 1987 and it meets the statutory criteria of comparability as well as the consideration of factors normally and traditionally taken into consideration in the determination of wages in voluntary collective bargaining and arbitration.

It therefore follows from the above facts and discussions thereon that the undersigned renders the following:

AWARD

After full consideration of the criteria listed in the statute and after careful and extensive examination of the exhibits and briefs of the parties the arbitrator finds that the Union's final offer more closely adheres to the statutory criteria than that of the Employer and directs that the Union's proposal contained in Exhibit "A" be incorporated into an agreement containing the other items to which the parties have agreed.

Dated at Sparta, Wisconsin this 31<sup>st</sup> day of October, 1985.

  
Zep S. Rice II, Arbitrator

EXHIBIT A

Name of Case:

City of Rock Hill, South Carolina

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

5-8-85  
(Date)

Richard C. Darling  
(Representative)

On Behalf of:

Local Union 2150 IBEW

All provisions carried over from the old contract except terms stipulated as agreed and the following wage proposal shall constitute a new agreement;

Wages effective 6-1-85 increase wages by 4%  
Effective 7-1-86 increase wages by 4½%.

Union Offer

EXHIBIT B

Name of Case: City of Kiel Electric Utility

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

5/8/85  
(Date)

John J. Linn  
(Representative)

On Behalf of: City

Our final offer consists of the stipulated items on the 5/8/85 "Agreed upon items" page plus the following wage increase:  
Effective June 1, 1985 - 3% increase across the board;  
Effective July 1, 1986 - 4% increase across the board.  
All other portions of the agreement of June 1, 198. to continue in force.