

SEP 16 1987

EDWARD B. KRINSKY, ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of Arbitration Between	:	
	:	
TEAMSTERS UNION LOCAL NO. 695	:	Case 4
	:	No. 38191
and	:	ARB-4251
	:	Decision No. 24542-A
DELAFIELD-HARTLAND WATER	:	
POLLUTION CONTROL COMMISSION	:	
	:	

Appearances:

Mr. John D. Knoebel, President, and Mr. Michael Spencer, Business Representative, for the Union.
Mulcahy & Wherry, Attorneys at Law, by Mr. Daniel G. Vliet, for the Commission.

On June 24, 1987, the Wisconsin Employment Relations Commission appointed the undersigned as arbitrator in the above-captioned matter. A hearing was held at Delafield, Wisconsin, on August 20, 1987. No transcript of the proceedings was made. At the hearing both parties had the opportunity to present evidence, testimony and arguments. The record was completed with the exchange by the arbitrator of the parties' post-hearing briefs on September 8, 1987.

The final offers of the parties are as follows:

Commission

"This contract reopener was for purposes of considering health insurance only. The Commission is unwilling to increase the amount paid for health insurance by the Commission from the existing \$210.46 for the family plan and \$82.50 for the regular single plan or \$77 for the single HMO plan."

Union

"This contract reopener was for purposes of considering health insurance only. Article XVI-Insurance Section 2(a). The Union proposes the Commission's contribution be increased to \$217.75 for the family plan and to \$82.40 for the single HMO plan."

Facts

There is one issue in dispute in this case. The parties differ on the amount of money that the Commission will be required to pay for health insurance premiums. The dispute involves four employees (a fifth employee is still in a probationary period). The difference in the parties' positions for 1987, based on four employees receiving family health insurance benefits, totals \$349.92.

The parties' Agreement covers the period January 1, 1986 through December 31, 1987. It contains a Health Insurance provision, as follows, at Article XVI (2) (a):

The Commission agrees to pay up to Two Hundred Ten Dollars and Forty-Six Cents (\$210.46) of the premium for the family plan for hospital and medical insurance for regular full-time employees with dependents. For regular full-time employees without dependents, the Commission agrees to pay up to Eighty-Two Dollars and Fifty Cents (\$82.50) for the "regular" single plan or Seventy-Seven Dollars (\$77.00) for an HMO, at the employee's option . . .

The Duration provision, Article XXVII, states, at Section 2:

In the event the premium for the family health plan exceeds Two Hundred Ten Dollars and Forty-Six Cents (\$210.46) either party may reopen this Agreement after January 1, 1987 for the purpose of consideration and negotiation of health insurance only.

The current dispute occurs pursuant to the reopener provision because the 1987 premiums for the HMO family plan have risen to \$217.75 per month, and the Regular family plan premium has risen to \$256.60.

The Commission introduced data for the Village of Hartland and the City of Delafield, the two jurisdictions served by the Commission. In 1986 the Village of Hartland paid the full cost of health insurance premiums for its employees. For 1987 it pays the full cost of premiums for the HMO. Employees opting for the Regular plan have to pay the difference between that premium and the HMO premium. The HMO premiums for 1987 are \$84.35 for single coverage and \$223.50 for family coverage.

In 1986 the City of Delafield paid the full cost of health insurance premiums for its employees. For 1987 it pays the full cost of premiums for the HMO and Regular plans. The HMO premiums are \$89.75 and \$225.10. The Regular premiums are \$89.90 and \$256.10.

The Commission also introduced costing data, as follows:

Hourly Wage

Commission	\$ 10.96
Hartland DPW	10.98
Delafield DPW	11.85

Hourly Wage + Benefits

Commission	\$ 15.66	(The Union's final offer would cost \$15.70)
Hartland	15.11	
Delafield	16.58	

The Union presented data from the following jurisdictions which have population under 10,000 (as does Delafield and Hartland singly and together). The jurisdictions are located north or south of Hartland and include: Hartford, Horicon, Jefferson, Waupun, Oconomowoc, Burlington and Big Bend. According to the Union each of these jurisdictions pays the full cost of health insurance for its employees.

The parties indicated, in response to the arbitrator's question, that they do not have, and have not had, agreement in bargaining concerning what jurisdictions are considered comparable to the Commission.

Discussion

The arbitrator must select one final offer or the other. He must consider the factors enumerated in the statute. There is no dispute in this case concerning factor (a) lawful authority of the municipal employer; (b) stipulations of the parties; (c) interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement; (f) comparison of the wages, hours and conditions of employment . . . with (those) . . . of other employees in private employment in the same community and in comparable communities; (i) changes during the pendency of the arbitration proceedings. Thus the analysis which follows focuses on the remaining factors.

Factors (d) and (e), here analyzed together, deal with comparisons with the wages, hours and conditions of

employment of (d) other employees performing similar services and (e) other employees generally in public employment in the same community and in comparable communities. They are taken together because in their presentation of data the parties did not distinguish between the two factors. As indicated above, the parties do not agree on which jurisdictions are comparable.

Both parties agree that the Village of Hartland and the City of Delafield are relevant for purposes of this proceeding. The Commission offers no comparisons outside of these jurisdictions. The Union's presentation of other jurisdictions is not entitled to much weight because aside from the population criterion, it is not evident why these jurisdictions were chosen while others were not. About all that can be said for the Union's comparisons is that there appear to be a number of similarly-sized jurisdictions in the "area," broadly defined, which pay the full cost of their employees' health insurance premiums.

The data for Hartland and Delafield show that in 1986 they paid the full cost of their employee's health insurance premiums, just as did the Commission. In 1987 they have both agreed to pay the full cost of the HMO plans. The single premiums (\$84.35 and \$89.75) are higher than the single HMO premium being sought by the Union in this case (\$82.40). Similarly, the HMO family premiums paid by Hartland and Delafield for 1987 (\$223.50 and \$225.10) are higher than the premium being sought by the Union in this case \$217.75.

The wage and benefit data provided by the Commission show that its average wage rate is lower than the wage rates paid to Department of Public Works employees in Hartland and Delafield. Its wage and benefits package is higher than Hartland's but slightly lower than Delafield's.

In its post-hearing brief the Commission argues, in part, that its position should be favored, because "neither . . . Hartland nor . . . Delafield had as large of (sic) insurance premium increases as the Commission." The increase being requested by the Union in its offer is an increase in the Commission's premium payment for HMO so that the Commission will pay for the full HMO premium. The 1987 HMO premium increase is 3.5%. In Hartland the HMO premium increase was 6.9% for 1987 and for Delafield it was 9.6%. The increases for the "regular" plan were much greater for the Commission than for Hartland and Delafield, but those rates are not at issue in this dispute.

It is the arbitrator's opinion that the comparisons which are most important in this case are the comparisons with Hartland and Delafield. Since both of those employers

pay the full cost of HMO benefits and in amounts which are higher than both final offers in this case, it is the arbitrator's opinion that these comparisons favor the Union's final offer.

Factor (g) is "The average consumer prices for goods and services, commonly known as the cost-of-living." The 1987 wage increase is 3.3% to these employees. The increase in the HMO health insurance premium sought by the Union is 3.5%. The Commission introduced federal cost-of-living data showing that the increase in cost of living from December 1985 to December 1986, was of a magnitude of approximately 1% or less. The Milwaukee area data suggest that there may have even been a decrease in the cost of living during that period. Thus, on the cost-of-living factor, the Commission's offer is preferred since it is the lower one and results in a cost closer to the cost-of-living increase than does the Union's offer.

Statutory factor (h) directs the arbitrator to consider "the overall compensation" of the employees. The parties did not present the arbitrator with historical total cost data comparisons between the Commission, Hartland and Delafield. The total cost differential between the parties' offers in this case is only four cents per hour. The total hourly costs are either \$15.66 (Commission) or \$15.70 (Union) and these compare to \$15.11 in Hartland and \$16.58 in Delafield. Both offers do not change the ordering of the relationship between the three units of government, and the arbitrator does not view the total compensation factor as resulting in a preference for either offer.

The statute contains factor (j), other factors normally or traditionally taken into account. The Commission argues that its offer should be viewed favorably because it is offering the status quo, whereas the Union is seeking a change in the status quo. Such an argument is important, in the arbitrator's opinion, where one party is seeking to change existing contract language or to initiate a new type of benefit. The argument does not carry the same weight where one party is seeking to change annual wage rates or, as here, to change the contribution levels to continue the relative share of premiums paid previously. Also, there is no element of surprise in the Union's request to change the premiums paid for health insurance, since the parties agreed in their 1986-87 Agreement that "In the event the premium for the family health plan exceeds . . . (\$210.46), either party may reopen this Agreement . . . for the purpose of consideration and negotiation of health insurance only . . ." There is a legitimate dispute over what the parties' respective shares should be, but in a case such as this one, based on an explicit reopener dealing with the subject at issue, there is no burden on the Union to justify seeking a change in the status quo.

Conclusion

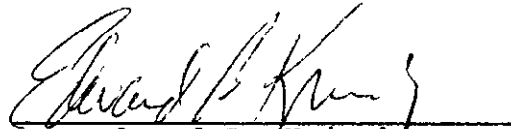
The arbitrator is required by statute to select one final offer or the other in its entirety. It is his view that the comparisons with the other units of government favor the Union's final offer in this case, while the cost-of-living factor favors the Commission's final offer. Given the facts of this case, and the close interconnection between the units of government involved, it is the arbitrator's conclusion that the continuation by the Commission of payment of the full cost of the HMO health insurance by the Commission, as is provided also in Hartland and Delafield, is entitled to more weight than the cost-of-living factor, since all of the units of government are affected equally by the changes in the cost of living.

Based upon the above facts and discussion the arbitrator hereby makes the following

AWARD

The Union's final offer is selected.

Dated at Madison, Wisconsin, this 15th day of September, 1987.


Edward B. Krinsky
Arbitrator