In the Matter of the Petition of Technicians, Engineers and Architects of Milwaukee to Initiate Arbitration Between said Petitioner

-and-

City of Milwaukee

Decision No. 26610-A

Appearances - E. Campion Kersten, Attorney at Law, for the Union
Thomas C. Goeldner, City Labor Negotiator, for the Employer

Technicians, Engineers and Architects of Milwaukee, hereinafter referred to as the Union, filed a petition on May 24, 1990 with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, wherein it alleged that an impasse existed between it and the City of Milwaukee, hereinafter referred to as the Employer. It requested the Commission to initiate arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. An investigation was conducted in the matter.

At all time material herein the Union has been the exculsive collective bargaining representative of certain employees of the Employer in a collective bargaining unit consisting of civil, mechanical and electrical engineers and architects and engineering technicians. The Union and the Employer have been parties to a collective bargaining agreement covering the wages, hours and working conditions of the employees in the bargaining unit and it expired on December 31, 1988. The investigation conducted by the Commission on July 11th, July 31st and August 13th reflected that the parties were deadlocked in their negotiations and they were directed to submit their final offers to the Commission.

The Commission concluded that an impasse within the meaning of the Municipal Employment Relations Act existed between the parties with respect to negotiations leading toward a new collective bargaining agreement covering wages, hours and conditions of employment affecting employees in the bargaining unit and it ordered that arbitration be initiated for the purpose of issuing a final and binding award to resolve it.

Upon being advised that the parties had selected Zel S. Rice II, the Commission appointed him as the arbitrator to issue a final and binding award pursuant to Section 111.70(4)(cm)6 and 7 of the Municipal Employment Relations Act to resolve the impasse by selecting either the total final offer of the Union or the total final offer of the Employer.

The issues of salary and health insurance are the only issues that remain unresolved between the parties. The Union's position is that the employees receive an across the board salary increase of 2 percent on pay period one 1989 and 2 percent on pay period 14 1989 and 2 percent on pay period 1 1990 and 2 percent on pay period 14 1990. The Employer's position on the salary issue is that the bargaining unit received a 2 percent across the board wage increase on pay period one 1989 and a 2 percent across the board wage increase on pay period 1 1990 and a 2 percent across the board wage increase on pay period 14 1990. The Union's position on health insurance is that the benefits embodied in the 1987-88 collective bargaining agreement between the parties be continued through 1989 and 1990 except that the deductibles for the single and family major medical plans be increased by 50 percent effective the first day of the month following the execution of the new collective bargaining agreement. The Employer proposes to increase the major medical deductible to $100.00 per person with a $300.00 per family maximum effective January 1, 1990. It would add medically necessary human to human heart transplants effective January 1, 1990. It would maintain the present benefit level for the calendar year 1989, but revise the language to reflect the changes in the 1987-88 collective bargaining agreement that became effective October 1, 1989. Beginning in 1990 employees enrolled in the basic plan would contribute $7.50 per month for single enrollment and $15.00 per month for family enrollment. In calendar year 1990 the Employer would contribute up to 105 percent of the premium costs of the lowest HMO offered by the Employer for single and family enrollment. In 1990, the Employer would increase its dental contribution from $8.50 per month to $10.00 per month for single enrollment and from $26.60 to $30.00 per month for family enrollment.

UNION'S POSITION

The Union argues that its request involves an actual increase of 3 percent per year for each of the years. It concedes that its proposal produces a 4 percent lift in 1988 and another 4 percent lift in 1990. The Union points out that the Employer's offer results in a 2 percent lift for 1989 and a 4 percent lift for 1990. It takes the position that its salary requests are fully supported by external comparables, internal comparables and changes in the cost of living. The Union contends that over a 7 year period, the actual increases received by the bargaining unit together with the increases proposed by the Union for 1989 and 1990 would produce a cumulative increase of 26.1 percent while the Employer's proposal would result in a cumulative increase over that period of 23.7 percent. It asserts that the 3 percent per year actual increase and the 4 percent per year lift produced by its proposal, is substantially less than the local government percentage of a 5.1 percent increase for each of the years, the combined office/EDP figures of 3.8 percent and 3.5 percent, the CPI-U figures of 4.2 percent and 6 percent and the CPI-W of 4. 1 percent and 5.4 percent. The Union concedes that EDP increases of 3 percent in 1989 and 3.1 percent in 1990

are lower than the Employer's proposal, but points out that the increases over the previous five years for EDP employees have been much higher than the Employer paid the bargaining unit over that same period. It takes the position that even though the CPI-U figures lag slightly behind the increases given by the Employer to the Union in some years, the cummulative CPI-U increase of 27.7 percent exceeds the cummulative increases under both the Union's proposal and the Employer's proposal. The Union points out that the CPI-W comparison favors the Union because the percentage increases in that index were greater in every year except 1986 and are well ahead of the Union's proposal for 1989-90. The cumulative increase in the area over the 7 year period is 30.1 percent compared to the Employer's proposal of 23.1 percent and the Union's proposal of 26.1 percent. The Union argues that the trend established by the salaries received by the Union in 1987 and 1988 and those proposed by both the Employer and the Union for 1989 and 1990 lag well behind the civil engineers in the Milwaukee region. The thrust of the Union's position is that the data shows that the Union's salary proposal lags behind all relative trends but is closer to them than the Employer's offer. The Union argues that the position in the bargaining unit lag substantially behind the surveyed positions in the survey conducted by the Bureau of Labor Standards, hereinafter referred to as the PATC survey, and the only position within shouting distance of that average was the Engineering Tech V. It points out that its engineers pay ranges are from 10.3 percent to 16.2 percent below the PATC ranges. Comparing the Union's salary mediums within the pay ranges to the PATC survey average demonstrates that its proposal would narrow the gap between them somewhat, while the Employer's proposal would widen it even more. The Union argues that of the six city labor groups only three have the same wage package that the Employer proposes for the bargaining unit. All of them produce average increases over the two year life of the contract of 3.5 percent with a lift of 6 percent. It points out that three other bargaining units have packages very similar to that proposed by the Union. The Union takes the position that every statistically reliable indicator supports its position on the wage issue in this arbitration and contends that changes in the CPI and the external comparables would support even higher increases than it seeks. It asserts that there is nothing approaching uniformity in the Employer's other labor contracts that militate in favor of forcing the Union to hew to a particular pattern defined by them.

The Union argues that its proposal on the health insurance is meant as a contribution by its members and their families toward offsetting the increased costs of health care, while the Employer proposes major changes in the coverage. It asserts that the Employer's health insurance proposal should be rejected because the changes and additional costs it would impose on employees would be retroactive to January 1, 1990. The Union asserts that it is grossly unfair to impose changes retroactively upon the bargaining unit and their families who relied upon the existing program when utilizing the services of health care providers during 1990. It asserts there is no uniformity among the health plans administered by the Employer. The Union contends that its proposal is exactly

the same as the plan that the Employer provides to the bargaining unit represented by Disctrict Council 48 except that it increases the deductible and eliminates premium contributions by newer employees. It asserts that the Employer's proposal would take away a health insurance program improvement obtained by the Union in bargaining in the previous contract and the employees would only enjoy three months of the new health insurance benefits in its 1987-88 contract. The Union argues that it is willing to discuss changes in the health insurance program in the next contract, but contends the Employer has made no case for changing the insurance system retroactively. The thrust of the Union's argument is that all of the comparability criteria and the cost of living criteria set forth in the statutes weigh heavily in favor of its final offer and against that of the Employer.

EMPLOYER'S POSITION

The Employer argues that it has consistently attempted to maintain an internal pattern of equity in its contract settlements with its employees. It contends the internal base salary, health and dental insurance and total package relationships of previously settled contracts with the various bargaining units representing its employees is the most significant factor to be considered. It asserts the Union's health and dental insurance proposal would create a health benefit system that would be unique among all of its employees. The Employer argues that its proposal compares favorably with the external comparables and adheres to its internal pattern and will not result in conditions that are substantially out of line with external comparables. It takes the position that voluntarily settled contracts are significant factors to be considered when a Union is trying to "get more" through arbitration. It contends a divergence from its voluntary settlements would discourage collective bargaining by awarding the Union wage, health and dental benefits through arbitration that are in excess of of those received by all other bargaining units.

The Employer points out that a total of 4,189 of its employees have received wage increase for 1989 and 1990 that reflect a lift of 6.12 percent or less and 2,841 protected service employees receive a 2 year lift increase of 8.24 percent. It takes the position that the difference between the 8.24 percent protective service lift and the 6.12 percent general employee lift is found in the pension enhancement received by the general employees that did not impact on protective service employees. The Employer argues that the pension enhancement cost the Employer 2.8342 percent of pay for all general employees and the 1 year early retirement window cost it .415 percent of pay for all general employees. It contends that if only the bargaining unit members are considered the pension enhancement cost 2.6 percent of pay and the 1 year early retirement window cost 1.259 percent of pay. The Employer points out the total for these two pension changes would be 3.859 percent of pay. It asserts that the Union cannot point to the protective service 8.24 percent lift as a comparable because those employees did not experience the pension enhancement given to the bargaining unit and all general employees. It argues that appropriate comparable wage

figure to be considered is the general employee lift of 6.12 percent or less. The Employer argues that its proposed wage increase provides salaries higher than Milwaukee County in five of the classifications that make up 98 percent of the bargaining unit. In three of those classifications, its proposal provides salaries significantly higher than the State of Wisconsin pays comparable positions. The Employer contends a favorable comparison of its job classifications with comparable classifications for Milwaukee County and the State of Wisconsin makes plain that its proposal is more reasonable than that proposed by the Union. It asserts that the Union would have the arbitrator compare its technicians, engineers and architects to office clericals and electronic data processers while it compares them with engineers. The Employer points out that its proposal would result in significantly higher maximum pay steps for its employees than their federal counterparts in the engineering profession. It argues that the Union limits comparison of the bargaining unit employees to private sector salaries for engineers. The Employer asserts that the wages of its engineering technicians have always been tied to the wages of the drafting technicians in another bargaining unit and those employees were given an across the board salary increase of 3 percent effective pay period 1 1989 and 3 percent effective pay period 1 1990 which represents a 6.09 percent lift over the 2 year contract period. It argues that the 2 year lift proposed by it more closely approximates the 6.09 percent lift that that drafting technicians received as a result of an arbitration and takes the position that the Union's proposal of an 8.24 lift would break the historical equity between those employees. The Employer contends that its 6.12 percent lift over the two year contract plus the tuition increase and the pension enhancement is only slightly less than the increase in the CPI. It points out that when the Union's proposed wage lift of 8.24 percent is added to the tuition increase and the pension increase it exceeds the increase in the cost of the CPI over the two year period.

The Employer points out that its medical care costs have increased at a significantly higher rate than the consumer price index even though it has taken specific actions to control the costs. It asserts that the cost per active city employee was $1,892.00 per year in 1982 and is estimated to be $3,101.00 in 1990. The Employer argues that its insurance costs are escalating significantly and new cost containment measures need to be implemented. It contends that its health insurance proposal is in place for 4,563 active employees or 61.8 percent of its work force. The Employer points out the Union's proposal would make the bargaining unit its only employee group without an employee premium contribution system and none of them has a major medical deductible similar to that proposed by the Union. The Employer asserts that Milwaukee County has a two tiered health insurance system for both Basic and HMO plans in 1990 that is comparable to the Employer's health insurance proposal and has the same major medical deductible. It contends the state of Wisconsin health plan is very comparable to the one it has proposed and provides a model for the premium co-payment by employees. The Employer asserts that the public health insurance benefit surveys support its health insurance proposal and the private sector surveys firmly establish a common practice of premium cost sharing by employees. The

Employer points out that only employees who elect certain health plans will have to contribute toward the cost of the premium and under its proposal the amount of premium co-payment by employees would be minimal. It asserts that the employee premium contributions proposed by it compare favorably with the pattern in the private sector as does its proposed increase in the major medical deductible.

HEALTH INSURANCE

The Employer's health insurance costs for employees have risen from over fifteen million in 1982 to more than twenty-three million in 1990. The cost per active employee has increased from $1,892.00 per employee in 1982 to an estimated $3,101.00 in 1990. The annual increase in the Employer's cost per employee has been as high as 18 percent. The Employer has established a number of cost containment measures during that period that had a significant impact on it overall health insurance costs for a few years, but the costs are again escalating significantly. HMO costs increased 11 percent and Basic Plan costs increased 37 percent. The Employer seeks a $7.50 per month contribution toward the Basic Plan for single employees and a $15.00 per month premium contribution for family coverage and a major medical deductible increase from $50.00 to $150.00 for single employees and a $100.00 to $300.00 for family coverage. The 37 percent escalation in the Basic Plan costs indicates that the Employer needs to implement additional cost containment measures. The bargaining unit represented by the Union has its highest enrollment in the Basic Plan which is the primary area in which cost containment efforts must be focused. Fifty-three members of the bargaining unit have selected the Basic Plan with family coverage and five have selected it with single coverage. As of February 1, 1990 over one-third of the bargaining unit had selected the Basic Plan which had experienced a 37 percent increase in costs. As an offset to the Employer's proposal to require a premium payment by the bargaining unit members covered by the Basic Plan or those who selected an HMO with a cost that exceeds 105 percent of the lowest cost HMO, the Employer proposed to increase its dental contribution by $1.50 per month for single enrollment and $3.40 per month for family coverage. The Employer's proposal addresses the specifically identified problem of an unreasonable increase in costs with a measure designed to encourage cost containment by requiring premium contributions and an increased deductible for the Basic Plan enrollees and placing a maximum on the amount that it would pay toward the cost of HMO coverage. The Union's proposal would address this problem with a 50 percent increase in the rather modest deductibles for the Basic Plan.

The Employer's proposal, including the increased dental contribution, is in place for 4,563 employees including 3,428 represented by 10 different unions. District Council 48 and Local 61 represent 2,822 employees or 38.2 percent of the Employer's work force. Local 61 has moved from a $150.00 major medical

deductible to the $100.00/$300.00 deductible that the Employer proposes here. Both District Council 48 and Local 61 have the 85 percent/90 percent/95 percent graduated basic plan co-payment for employees hired after April 1, 1983. The Union's proposal would make this bargaining unit the only employee group without an employee premium contribution system. Its proposed major medical deductible would be substantially lower than that of any other employee group of the Employer.

Milwaukee County has a group of employees performing work similar to that of this bargaining unit and they have negotiated a permanent two tiered health insurance system for the Basic Plan and HMO plans in 1990. All employees hired after July 31, 1989 contribute $10.00 per month toward all single enrollment plans and $20.00 per month toward all family enrollment plans. This compares to the Employer's proposal of a $7.50/$15.00 Basic Plan employee contribution, two free single HMOs and three free family HMOs. The Milwaukee County health plan has the same deductible proposed by the Employer and is in most respects quite comparable to it although it requires a larger employee contribution toward the premium and the contribution must be made for both the Basic Plan or any HMO.

The State of Wisconsin has a bargaining unit that includes employees performing duties similar to this bargaining unit and they contributes 105 percent of the lowest qualified HMO or 90 percent of the premium cost of the Basic Plan, whichever is lower. This formula results in employees contributing $9.16 per month or $66.92 for Basic Plan single enrollments or $30.18 per month or $151.64 for Basic Plan family enrollments, depending on the Basic Plan selected. The State of Wisconsin provides single employees with five free HMOs to select from and three HMOs which require monthly contributions ranging from $.82 per month to $13.97 per month. This compares to two free single plan HMO enrollments and two single plan enrollments which cost $3.38 per month and $7.79 per month under the Employer's proposal. For family enrollments, the State of Wisconsin has five free HMOs and three others that cost employees $5.29 per month, $9.73 per month and $37.88 per month compared to the Employer's proposal of three free family HMOs and one that costs the employee $13.92 per month. The State of Wisconsin health plan is quite similar to the Employer's proposal, but requires larger contributions by the employees toward the premium. The Bureau of Labor Standards Survey of public sector employees in state or local governments showed that 35 percent of the public sector employees require an employee contribution for a single enrollment and 71 percent requires an employee contribution for family enrollments. The average monthly contribution was $16.00 for a single enrollment and $72.00 for a family enrollment. A monthly contribution of less than $15.00 was found in 50 percent of the single enrollments and only 11 percent of the family enrollments. 38 percent of the employers required monthly contributions of $15.00 or more for single enrollment and 78 percent required $15.00 or more for family enrollment. 84 percent of the surveyed public sector employee plans included in the 1987 Bureau of Labor Standards Survey included major medical deductibles of $100.00 or more. The 1988 Foster Higgins Survey of city and state governments reveal that 18 percent of the cities and 56 percent

of the states required an employee contribution for single enrollments and 61 percent of the cities and 88 percent of the states required an employee contribution for family enrollments. Deductibles of $100.00 or more were found in 79 percent of the cities surveyed and 70 percent of the states.

The 1988 Foster Higgins Survey of more than 10 million private sector employees revealed that 39 percent of all employers required employee contributions for single coverage and 69 percent required contributions for dependent coverage. In the north central region which includes the area in which the Employer is located, 43 percent require contributions for employee coverage and 62 percent require contributions for dependent coverage. Among employers with 5,000 to 9,000 employees, 52 percent require contributions for employee only coverage and 70 percent require contributions for dependent coverage. The 1988 Bureau of Labor Standards Survey covered 31 million full time private sector employees and it revealed that 40 percent of those employers required employee contribution for employee only coverage and 60 percent required contributions for dependent coverage. The 1989 Hay/Huggins Benefits Report surveyed 916 private sector employers and 49 percent of them require employee contributions for employee only coverage and 73 percent require contributions for dependent coverage. The National Association of Manufacturers surveyed 2,029 of its members and found that 43.4 percent required employee premium contributions for employee only coverage and 53.7 required them for dependent coverage. The Hewitt Associates Survey of 227 major private sector corporations found that only 24 percent of the employers did not require employee contribution toward health premiums. That survey found that only 19 percent of the major private sector employers in the Milwaukee area did not require employee contributions toward health insurance premiums. Service Employees International Union conducted a survey that found that 69 percent of the health plans covering its members required employee contributions toward health insurance programs. All of the major benefit surveys indicated that the Employer's proposal to extend premium cost sharing to members of the bargaining unit is firmly in line with the common practice in the private sector. The evidence shows that only employees of the Employer who elect certain health plans will have to contribute toward the cost of the premium. The maximum monthly cost for those employees who select plans requiring premium contribution would be $7.79 for a single enrollee in the family health plan and $15.00 for a family enrollee in the basic plan. The Foster Higgins Health Care Benefits Survey of 1988 found that those employers that required contributions by employees made them pay 22 percent of the premium for employee only coverage and 38 percent of the premium for dependent coverage. In the North Central Region, employees who contribute toward the cost of insurance pay 19 percent of the premium for employee only coverage and 28 percent of the premium for dependent coverage. Employers with 5,000 to 9,000 employees who require employee contributions make them pay 22 percent of the premium for employee only coverage and 27 percent of the premium for family coverage. The Bureau of Labor Standards reports in its 1988 survey that employees who contribute towards health insurance plan premiums average $19.00 per month for employee only coverage and $60.00 per month (four times the maxi-

mum amount proposed by the Employer) for dependent coverage. Obviously the Employer's proposed contribution amounts for employees who elect the most expensive health plans compare favorably with contributions of private sector employees and are not burdensome.

The Foster and Higgins Health Care Benefits Survey of 1988 shows that 91 percent of all employers require deductibles of $100.00 or more. 89 percent of North Central Region employers and 90 percent of the employers with 5,000 to 9,000 employees require deductibles of $100.00 or more. The Wyatt Company 1988 Group Benefits Survey covering 1 out of 7 workers in the country found that 88 percent of employers require a Basic/Major Medical deductible of $100.00 or more and the 1989 Hay/Huggins Benefits Report found that 57 percent of employees require a Major Medical deductible of more than $100.00. The Hewitt Associates Survey of salaried employee benefits by major U.S. employers shows that from 1984 to 1988 only 6 percent of the employers required a deductible of less than $100.00. Compared to the private sector, the Employer's proposed $100.00 per person deductible, is quite reasonable.

The Union's position on health insurance is to preserve the status quo except to increase the deductible for single coverage from $50.00 to $75.00 and for family coverage from $150.00 to $225.00. That is a very modest response to the 37 percent cost increase in the Basic Plan in 1990. That major jump requires cost containment measures to keep the Employer's medical costs under control. Medical expenses seem to be driven by a force of their own and continue to increase and the Employer is justified in seeking the modest increase in the deductible and the even more modest employee contributions in order to gain some measure of control over its medical costs. It seems that none of the cost containment efforts are ever completely effective and they have not stopped the continuing escalation in medical costs, but they do represent one step that the Employer can take to exercise some control. The Employer's proposal would establish some uniformity in its health insurance program by giving the employees represented by the Union a health insurance program exactly like the one in place for 4,563 active employees represented by ten unions and 1,135 management and non represented employees. It is true that District Counsel 48 and Local 61 have health insurance plans that are different from the pattern advocated by the Employer. However, none of the Employer's employees has a major medical deductible similar to that proposed by the Union and which does not require at least some premium contribution by certain employees.

The Union argues that the city's health insurance proposal is grossly unfair because the changes and additional costs imposed on employees would be retroactive to January 1, 1990. It contends that this is unreasonable and unfair. The Employer advised the Union at the very first negotiation meeting on October 25, 1989 that the effective date of its proposal was January 1, 1990. The proposal was not unreasonable and unfair then and the mere fact that it has not been agreed to or implemented until the date of this award, does not make it unreasonable or unfair now. The Union takes the position that by proposing to change

the health insurance program effective January 1, 1990 the Employer would take away the improvement bargained for by the Union in the previous collective bargaining agreement and the bargaining unit members would have enjoyed only three months of the benefit in that agreement because the new benefits were not retroactive. The arbitrator finds that the 37 percent increase in the cost of the Basic Plan in 1990 justified the imposition of some additional cost sharing and cost containment measures even though they would now be imposed retroactively. The Employer's proposal does not require every employee to make contributions toward the insurance premium. Those employees who elect to take the lower cost plans would not be required to make any additional contribution. It is not unfair to ask those employees who elect to enroll in the most expensive health insurance programs that cost the Employer the most money to help shoulder a small part of the burden.

The Employer has attempted to maintain an internal pattern of equity in its contract settlements with its employees. The internal health and dental insurance relationships of previously settled agreements with other unions representing the Employer's employees is a significant factor for the arbitrator to consider. The Employer has established a settlement pattern with the bargaining units with which it has reached agreement and its offer is consistent with it. Internal consistency with respect to fringe benefits is a very significant factor for the arbitrator to consider. The Union's health and dental insurance proposal would create a benefit system that would be unique among the Employer's employees. The sharp increase in the cost of the basic plan by 1990 justifies an increase in the deductible and the imposition of premium contributions on employees who select the most expensive plans. The premium contributions themselves are so modest that they cannot be considered a burden on the members of the bargaining unit. The increase in the deductible to a level comparable to that of most of the other employees of the Employer will avoid the creation of a unique health insurance plan for this bargaining unit only and avoid the possibility of "whipsawing" the Employer for a different deductible for all of the Employer's employees in future negotiations. Changes in health insurance benefits given to the Employer's employees should be consistent and recognize that variations between employee groups should be avoided if at all possible. The Employer's health insurance proposal is not out of line when compared to its internal comparables and it compares favorably with the health insurance programs provided by Milwaukee County to its employees and the State of Wisconsin to its employees. The Employer's health insurance proposal is superior to the pattern of health insurance plans accross the nation in both the public and the private sectors. Accordingly the arbitrator finds that the Employer's proposal on health insurance is more acceptable than that of the Union.

WAGES

The other issue to be considered by the arbitrator is the issue of wages.

The Employer proposes across the board increases in the base salary of 2

percent effective pay period one 1989, 2 percent effective pay period one 1990 and 2 percent effective pay period fourteen 1990. Those increases would provide a 6.12 percent lift in wages over the two years. The Union proposes across the board increases in the base salary of 2 percent effective pay period one 1989, 2 percent effective pay period fourteen 1989, 2 percent effective pay period one 1990 and 2 percent effective pay period fourteen 1990. Those increases would produce a lift in the employees salaries of 8.24 percent. The Employer points to the fact that a total of 4,189 general city employees have received wage increases for 1989 and 1990 which reflect a lift of 6.12 percent or less. The Union points to the fact that a total of 2,841 protective service employees receive a 2 year lift increase of 8.24 percent.

It would appear that the Employer is following two separate tracks in awarding salary increases to its employees. The Employer relies heavily in its argument on the internal pattern of settlement, contending that they should control and that they require the adoption of its offer. The Union contends that there is no real pattern of settlement because the protective service bargaining units received increases higher than the wage patterns relied on by the Employer and proposed for this bargaining unit.

The wage proposal of the Employer in this dispute conforms in most ways to the settlements reached with most of its other bargaining units except for the protective service units and the units represented by the Milwaukee Building and Construction Trades Council. The Employer's proposal to the Union is exactly the same as the wage increases agreed to voluntarily by the Publice Employees Union Local 61, the Staff Nurses Council, IAMAW District 10 and the Association of Scientific Personnel. It is exactly the same as the wage increase the Employer unilaterly gave to its management and nonmanagement non represented employees. It is also close to the agreement between fire department dispatchers and the Employer. Those settlement terms were 2 percent pay period fourteen 1989, 2 percent pay period fourteen 1990 and 2 percent pay period one 1991.

The protective service settlements gave the Police Supervisors Organization 2 percent pay period one 1989, 2 percent pay period fourteen 1989, 2 percent pay period one 1990 and 2 percent pay period eighteen 1990. The Fire Fighters settled for 2 percent pay period five 1989, 2 percent pay period twenty-three 1989, 2 percent pay period five 1990 and 2 percent pay period twenty-three 1990. The police were awarded 2 percent pay period one 1989, 2 percent pay period nineteen 1990, 2 percent pay period one 1990 and 2 percent pay period eight 1990. The protective services settlements were very similar to the demands of the Union and provide the same lift to the employees over the two years. Obviously the Employer's offer is closer to the wage settlement patterns established by the protective service unit settlements and the Employer's offer is almost the same as the settlements that have been reached with the non protective service units and those increases that were unilaterally implemented by the Employer for non represented employees.

The Employer distinguishes the wage offer of the protective service units from the wage offer in the non protective service units by reason of the cost increase it incurred when it negotiated pension modifications for employees who are not in protective services. No modifications to pension benefits were negotiated for employees in the protective service units. The Employer was advised in 1987 by its actuary that the Tax Reform Act of 1986 required a revision of the offset provisions then in effect in the Employer's pension plan covering all of its non protective service employees. As a result of the requirements of the Tax Reform Act, the Employer bargained with all of its non protective service employees, including the Union, to conform the plan to the provisions of the Tax Reform Act of 1986. Two plans were considered. One was a non integrated plan with a 70 percent cap without offset of social security benefits at a cost increase of 2.82342 percent of payroll. The other plan proposed by the Employer was an integrated plan that provided for a 70 percent cap with a maximum allowable social security offset permitted which carried an increase of .501 percent of payroll. The Employer bargained with the employees and all of the bargaining units, including the Union, agreed to the more expensive non integrated plan with a 70 percent cap and without a social security offset. In making its wage proposals to the Union and the other non protective service bargaining units, the Employer has assessed the cost of the more expensive pension plan against the employees in those bargaining units that were eligible to participate in it. No costs was assessed against the protective service unit settlements because those plans had not been integrated into the social security sysemt prior to the adoption of the Tax Reform Act.

The evidence establishes that for the purposes of determining the total costs of its proposal the Employer has calculated the percentage contribution of total payroll for all non protective service employees. That figure was 3.2492 percent of pay for all general employees. If the cost for this bargaining unit members only is considered, the pension enhancement costs were 3.859 percent of pay. The actual increased cost of the pension enhancement for this bargaining unit is significantly higher than the overall cost for all of the other non protective service employees calculated by the Employer. In its costing, the Employer has utilized the cost of the pension enhancement for all of the city employees in the non protective service rather than the higher figure for this bargaining unit.

When the overall cost of the pension enhancement is considered along with the Employer's proposed pay increase, the protective service pay increase of an 8.24 percent lift is not a true comparable because the protective service employees did not experience a pension enhancement. The appropriate comparable figure is the general city employee lift of 6.12 percent over the 2 year term of the agreement.

For purposes of comparing the Employer's position with Milwaukee County and the State of Wisconsin, the Employer has chosen the classifications of Engineering Technician IV, Engineering Technician VI, Civil Engineer I, Civil

Engineer II, and Civil Engineer III. Those five job classifications contain a total of a 119 members of the bargaining unit out of a total of a 152 and constitute 78 percent of it. The Engineering Technician IV and the Engineering Technician V positions comprised 93 percent of the bargaining unit engineering technicians and 43 percent of the total bargaining unit. The positions of Civil Engineer I, II and III make up 35 percent of the bargaining unit. The Employer's classifications of Engineering Technician IV, Engineering Technician V, Civil Engineer I, Civil Engineer II and Civil Engineer III are comparable to Milwaukee County's Engineering Technician III, Engineering Technician IV, Civil Engineer I, Civil Engineer II and Civil Engineer III respectively. The Employer's Engineering Technician IV matches the county's Engineering Technician III and the Employer's Engineering Technician V matches the county's Engineering Technician IV. These same positions of the Employer are comparable to the State of Wisconsin classifications of Engineering Specialist-journey, Engineering Specialist-senior, Civil Engineering-entry, Civil Engineer-development and Civil Engineer-journey. The 1990 salary rates of the Employer are higher than Milwaukee County in all five classifications and higher than the State of Wisconsin for the Employer's positions of Engineering Technician V, Civil Engineer II and Civil Engineer III. For those three positions the Employer's proposal is significantly higher than the state's salary for a similar classification. For the Employer's positions of Engineering Technician IV and Civil Engineer I, the Employer's maximum pay is a $142.00 less than the state's maximum pay for a comparable classification. However, the Union's proposal would result in those two positions being paid $564.00 more than comparable state positions. Comparison of the Employer's five job classifications with the comparable classifications for Milwaukee County and the State of Wisconsin indicates that the Employer's salary proposal is closer than the Union's proposal to the salaries received by employees doing comparable work for the State of Wisconsin and the county of Milwaukee.

In previous arbitrations the Employer has utilized the surveys conducted by the National Society of Professional Engineers, hereinafter referred to as NSPE. In those arbitrations the Employer has equated its Civil Engineer I with the NSPE Engineer I/II, a Civil Engineer II with an NSPE Engineer III and a Civil engineer three with an NSPE engineer four. The Union contends that the matching of the Employer's engineering classification levels to those of the NSPE classi fications may not be justified. It utilizes the PATC Survey and equated the Employer's Civil Engineer I, II, III and IV to the PATC Engineer II, III, IV and V respectively. The duties and responsibilities of the classifications utilized in the PATC survey are exactly the same as those used in the NSPE Survey and the arbitrator is satisfied that the Employer has property related its classifications with those in the NSPE Survey. A PATC Engineer II is comparable to an Engineer I and both are comparable to an NSPE Engineer I/II and so on for other engineering levels. With the exception of the NSPE Engineer I/II and the Employer's Civil Engineer I position, its remaining engineering classification salary maximum exceed the comparable NSPE salary medians. The NSPE survey for 1990 indicates that the Employer's proposal for a Civil Engineer I exceeds

the NSPE median for a comparable classification. The Employer's proposal for its Civil Engineer II, III and IV classifications exceeds the 1990 NSPE median salaries for similiar classifications. When the NSPE survey for the Milwaukee-Racine vicinity is considered, the Employer's Civil Engineer II, III and IV positions have a far superior salaries than those reflected by the NSPE survey. Most of the Employer's civil engineers are generally paid less than engineers in all other branches of engineering in the NSPE surveys, but the Employer pays its engineers higher salaries than the medians found in the NSPE data. The PATC survey indicates that the Employer's proposed maximum pay step for 1989 would result in a significantly higher maximum pay step for its employees than the federal government pays its engineers in similar classifications. When federal government engineer salaries are compared to the Employer's proposal and the Union's proposal using either the PATC Survey or the NSPE Survey, the Employer's proposal is closer to the median salary for each of the appropriate classifications than the Union's proposal is.

The Union represents the 71 engineering technicians in the bargaining unit. District Council 48 represents the Employer's drafting technicians. District Council 48 arbitrated its 1989-1990 contract with the Employer and was awarded across the board salary increases of 3 percent effective pay period one 1989 and 3 percent effective pay period one 1990. This resulted in a 6.09 percent lift over the 2 year contract period. There has been a historical linkage between the maximum pay rates for Drafting Technician IV and Engineering Technician IV and Drafting Technician IV and Engineering Technician V for a number of years. The two year lift of 6.12 percent proposed by the Employer more closely approximates the 6.09 percent lift that the drafting technicians received as a result of the District Council 48 award than the Union's proposal of an 8.2 percent lift. If the arbitrator were to select the Union's proposal, the historical relationship between the engineering technicians and the drafting techincians would be broken.

The total change in the CPI in 1989 and 1990 is 10.1 percent. The Employer's proposed increase would result in a 6.12 percent lift over the 2 year contract and the Union's proposed increase would result in a lift of 8.24 percent over that same period. Adding the Employer's proposed wage lift of 6.12 percent and a tuition increase of .05 percent and the pension enhancement of 2.60 percent and subtracting the savings based upon the Employer's health proposal of .16 percent, the total package value of the Employer's proposal represents an increase of 8.61 percent. Adding the Union's proposed wage lift of 8.24 percent to the tuition increase of .05 percent and the pension increase of 2.66 percent and subtracting the health savings of .03 percent establishes that the increase in cost of the Union's total package proposal is 10.92 percent. Obviously the Employer's proposal is about 1½ percent below the increase in the cost of living over the two year period while the Union's proposal is about eight tenths of a percent above the increase in the cost of living. Accordingly the Union's proposed increase is much closer to the increase in the cost of living than the Employer's proposal.

The Union argues that there is no internal pattern of settlements that favors the Employer's offer. It correctly points out that the Employer analyzes salary positions of the parties solely in terms of lift and ignores the actual salary increases that would result from the Union's offer. It argues that the 5,358 employees made up of police supervisors, police, fire fighters, municipal attorneys and District Council 48 members have wage contracts that provide substantially the same actual salary increase sought by the Union. However, only District Council 48, which makes up 2,493 of those 5,358 employees, also received the pension enhancement benefits that the Employer urges the arbitrator to consider. The Union goes on to point out that only the staff nurses, IAM District 10, Sceintific Personnel and Public Employee Local Union 61 have wage contracts that are substantially the same as that offered by the Employer to the Union. It argues that 48 percent of the Employer's employees will have a lift of 8.24 percent by the end of the contract period which is exactly the same as it seeks. The problem with the Union's position is that it wants all the best benefits that anyone else has received without giving up anything itself. It wants the lift that the protective services employees receive as well as the new pension benefits that those same employees do not receive. It wants the same wage increase that District Council 48 received, but it also want the lift that District Council 48 did not get. It wants any benefit that any other group of employees receive without giving up any of the benefits that those employees forego. That isn't the way collective bargaining works. One group of employees may give up a particular benefit that another group gets in order to obtain a specific benefit that it wants. The Union seems to think that it should have the increase lift, the pension enhancement benefit and the larger actual salary increase even though no other group of employees except the 24 municipal attorneys have received anything comparable.

The Union argues that the Employer exaggerates the significance of the lift, asserting that the principal significance of it is in the position which it places the bargaining unit as a starting level for future negotiations. It contends this is a factor that is always taken into consideration in bargaining for the future contract. The lift factor is designed to place the employees in a particular unit at the same wage level as other employees to whom they should be properly compared. The employees in the protective services are employees to whom the bargaining unit could be compared under ordinary circumstances. What distinguishes this bargaining unit from the employees in the protective services is the pension enhancement that its members will receive during the contract period. The Union seems to downgrade the impact of the pension changes because they are benefits that the employees will receive in the future. The Employer cannot discount them because they have an immediate cost and must be considered in determining the amount that it should pay employees in this bargaining unit and still maintain equity with its other employees.

The Union asserts that comparisons with Milwaukee County are not significant because it only has 30 engineering employees altogether and is too small to be a

bargaining factor. It ignores the fact that the county's engineers perform work similar to that performed by the bargaining unit and require the same training and experience for the various classifications. It contends that the State of Wisconsin engineering workers should not be compared to the bargaining because only 18 percent of the 473 state engineers reside in the Milwaukee metropolitan area. The State of Wisconsin has a uniform rate for engineers regardless of where they work and they have no trouble recruiting engineers to work in the Milwaukee area. It seems relevant that over the years the State of Wisconsin, Milwaukee County and the Employer have adopted classifications that are similar and the pay for those classifications has always been comparable with little differential betwen the three employers.

The Union argues that comparison of October 1990 annual rates of its employees with those from Milwaukee County and the State of Wisconsin is unfair because the bargaining unit would only receive those rates for the last half of 1990. There is some validity to that contention, but adoption of the Union's proposal would raise the Employer's salaries for engineers 2 percent above the salaries paid for similar classifications by Milwaukee County and the State of Wisconsin.

The Union relies on the PATC Survey which shows that the Employer's engineers are generally paid less than engineers in the private sector. The arbitrator finds that the evidence supports the Union's contention. However the evidence also indicates that engineers employed by the federal government, states and municipalities generally lag behind the private sector. The evidence establishes that the Employer's proposal would provide a maximum pay step for most of its various classifications well above the salaries paid to engineers employed by the federal government in similary classifications. Federal salary levels for engineers lag behind those of private industry but it is generally true that the salaries paid to engineers by state and municipal governments lag behind the private sector. Often the difference between the salaries between engineers employed by the public sector and those employed by the private sector can be explained by the differences in fringe benefits. For example, few private sector employers provide pension benefits comparable to those being provided by the Employer to its engineers.

The Employer relies primarily on the NSPE Surveys in making its comparisons with engineers salaries in the private sector. The Union argues that the NSPE Surveys are invalid because the number of engineers surveyed by NSPE is too small. The arbitrator finds some validity to the complaint about the quality of the NSPE Surveys. Both the Union and the Employer have relied on the NSPE surveys in the past in making their comparisons. Even now the differential between the NSPE surveys and the PATC surveys are not so substantial as to convince the arbitrator that the NSPE surveys have no validity. The PATC survey absolutely establishes that implementation of either the Union's proposal or the Employer's proposal would result in salaries for the bargaining unit well below the average salaries received by engineers in the public and private sec-

tor as a whole across the country. That particular comparison is not convincing to the arbitrator because of the recognized differential between the salaries paid by governmental units and the private sector.

The Union discounts the Employer's claim that there is a historical linkage between the wages of the drafting technicans represented by District Council 48 and the engineering technicians represented by the Union. From 1970 through 1978 the drafting technicians and the engineering technicians were paid the same through a series of "me too" agreement between District Council 48 and the Employer. In 1979 the engineering technicians moved ahead of the drafting techincians as a result of a fact finding award. In 1981 there was another "me too" agreement between District Council 48 and the Employer which again linked the wages of the drafting technicians and the engineering technicians. The Union contends that the historical linkage that the city relies on is nothing more than the link created by its own "me too" contracts. It takes the position that it has never tied its engineering technicians to the drafting technicians salaries and a disinterested arbitrator or fact finder has found the relationship not as one of equality but has having the engineering techincians receiving higher salaries than the drafting technicians. There is truth in the contention of the Union, but the fact is that this arbitration is not going to turn on the issue of whether the engineering technicians should be paid the same as the drafting technicians. That issue should be resolved by bargaining over the level of the salaries of the engineering technicians only rather than raising the salaries of the entire bargaining unit and creating new inequities in order to correct what may be an inequity in the wages paid to engineering technicians.

A comparison of salaries paid by the Employer to this bargaining unit and the salaries received by Milwaukee County employees in the same classifications is particularily significant. Both the Employer and the county are in the same labor market and both are governmental jurisdictions. All of the Employer's taxpayers are county taxpayers too. A comparison with county salaries was made in the two previous arbitration cases involving the Employer and the Union. The current comparison reveals that the salaries that would result from the Employer's proposal are more than competitive with those paid by the county.

The state is a valid comparable in view of the fact that it is a governmental jurisdiction and shares many of the similarities of government employment with the Employer and many of its employees are located within its boundaries. The Employer's taxpayers are all state taxpayers too. The evidence establishes that the Employer is highly competitive with the State of Wisconsin in the salaries that it pays to its engineers although it may lag somewhat behind the state salaries for engineering technicians.

Salaries for engineers employed by governmental units throughout the country seem to lag behind the private sector and the Employer does not depart from that pattern nor should it be expected to. Both the Employer's proposal and the

Union's proposal would provide salaries lower than the private sector pays engineers in comparable classifications.

The two statutory criteria emphasized by the parties were cost of living and comparables. Cost of living supports the Union's final offer whereas the internal comparables support the Employer's final offer. The most immediate external comparables of Milwaukee County and the State of Wisconsin support the Employer's offer and the increases proposed by the Employer approximates its internal increases as well as the most immediate external increases. The evidence establishes that the Employer has not experienced difficulty in recruiting which suggests that it is competitive with other private and public employers.

Whatever deficiencies exist in the Employer's salary offer when compared to the salaries paid to other bargaining units are more than compensated when the cost factor of the pension enhancement for members of this bargaining unit is considered. The actual cost of the pension enhancement for this bargaining unit was well above the average cost per employee of the Employer, indicating that particular benefit was even more valuable to the employees of this bargaining unit than to the other employees of the Employer who received pension enhancement. That cost more than compensates for the difference in the lift given to the protective service employees and justifies the somewhat lower actual salary increase that the bargaining unit received. The overall compensation received by the employees including pension benefits is an important factor to be considered in making a determination of which proposal should be selected by the arbitrator.

Internal patterns of settlement carry significant weight in determining which final offer should be adopted. The wage proposal of the Employer in this dispute conforms to its other settlements except for the protective service units. When the costs of the pension enhancements proposed by the Employer is considered along with its wage proposal, the overall compensation is very similar to the settlements that the Employer has made with its protective service employees and District Council 48. Under the circumstances the arbitrator finds the Employer's salary proposal to be more reasonable than that of the Union. The appropriateness of the Employer's health insurance proposal when compared to that of the Union is a somewhat closer question. Because of an arbitration award to District Council 48 and a "me too" agreement on health insurance between the Employer and Public Employers Union Local 61 a large number of the Employer's employees have an insurance program that is closer to the proposal of the Union than it is to that of the Employers. However the majority of the settlements with the various bargaining units involved health insurance provisions that were exactly the same as the Employer has proposed for the Union.

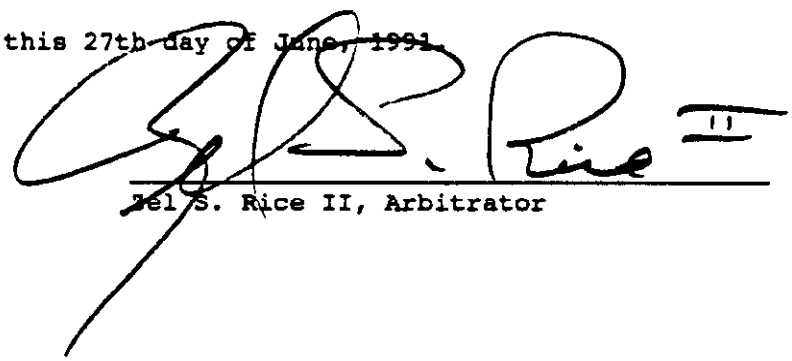
After full consideration of all of the factors involved herein, the arbitrator finds the proposal of the Employer to be more appropriate than the proposal of the Union.

It therefore follows from the above facts and discussion thereon, that the undersigned renders the following

AWARD

After full consideration of the criteria set forth in the statutes and after careful and extensive evaluation of the testimony, arguments, exhibits and briefs of the parties, the arbitrator finds that the Employer's final offer more closely adheres to the statutory criteria than that of the Union and directs that the Employer's proposal contained in Exhibit B be incorporated into the collective bargaining agreement as a resolution of this dispute.

Dated at Sparta, Wisconsin this 27th day of June, 1991.



Joel S. Rice II, Arbitrator

EXHIBIT A

Name of Case: TEAM vs CITY OF MILWAUKEE

The following, or the attachment hereto, constitutes our final offer for the purposes of 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. Further, we ~~(do)~~ **(do not)** authorize inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted to the Commission.

8-13-90
(Date)

E. Campion Kratz
(Representative)

On Behalf of: Technicians, Engineers and Architects of Milwaukee

ZMARB9.FT

STATE OF WISCONSIN
BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Petition of

TECHNICIANS, ENGINEERS AND ARCHITECTS OF MILWAUKEE

Case 357 No. 44065

To Initiate Arbitration Between Said Petitioner and

INT/ARB - 5682

CITY OF MILWAUKEE

FINAL OFFER OF TEAM TO CITY OF MILWAUKEE

I. PROVISIONS CARRIED OVER FROM EXISTING AGREEMENT

All articles and provisions of the 1987-1988 contract between the parties, together with the agreed upon revision of Article 13 (Pension Benefits), shall be incorporated verbatim into the new contract except to the extent they would be changed by the adoption of the specific tentative agreements and disputed items set forth below.

II. CHANGES IN THE EXISTING AGREEMENT TENTATIVELY AGREED UPON

All contract provisions, whether or not involving a change in the existing agreement, tentatively agreed to and initialed by the parties through August 13, 1990 shall be incorporated verbatim into the new contract.

III. ITEMS IN DISPUTE

8-13-90 ECK RRL

A. Article 14: Union Rights and Obligations. Maintain present language, except add new Section 2.b.1. See attached language.

A. Article 9: Salary. Increase all salaries as follows:

2% effective Pay Period 1, 1989

2% effective Pay Period 14, 1989

2% effective Pay Period 1, 1990

2% effective Pay Period 14, 1990

8-13-90 4:30 PM

TEAM REVISED FINAL OFFER ON HEALTH INSURANCE (ARTICLE 14 OF CONTRACT):

MAINTAIN PRESENT BENEFIT EXCEPT INCREASE MAJOR MEDICAL DEDUCTIBLE 50% FOR SINGLE AND FAMILY PLANS EFFECTIVE FIRST DAY OF THE MONTH FOLLOWING EXECUTION OF THE NEW CONTRACT. NO REFUND TO BE REQUIRED OF ANY PERSONS WHO HAVE EXCEEDED THE PRIOR DEDUCTIBLE LIMITS ON THAT EFFECTIVE DATE.

E. Carolyn Kenedy
Team Attorney

Robert R. Lubben, Pres.

EXHIBIT B

Name of Case: TEAM vs. City of Milwaukee

The following, or the attachment hereto, constitutes our final offer for the purposes of 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. Further, we ~~(do)~~ **(do not)** authorize inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted to the Commission.

8-13-90 (Date)

Elizabeth J. Schmidt (Representative)

On Behalf of: City of Milwaukee

ZMARB9.FT

City of Milwaukee

Department of Employee Relations
Labor Relations Division

John M. Tries
Director

Danae Davis Gordon
City Labor Negotiator

August 13, 1990

Mr. A. Henry Hempe
Chairman
Wisconsin Employment
Relations Commission
Post Office Box 7870
Madison, WI 53707-7870

Dear Mr. Hempe:

Enclosed is the City's final offer to Technicians, Engineers and Architects of Milwaukee (TEAM).

Sincerely,

Danae Davis Gordon

DANAE DAVIS GORDON
City Labor Negotiator

DDG:EFS:bh
AHHLtr
LAB/TEAM

Enclosure

c: Robert R. Luebben
E. Campion Kersten

CITY OF MILWAUKEE'S FINAL OFFER
TO TECHNICIANS, ENGINEERS AND ARCHITECTS OF MILWAUKEE (TEAM)
August 13, 1990

I. A summary of the City's final offer on open issues is as follows:

Article 9A, Base Salary
(See attached language for complete proposal.)

a. 2% across-the-board wage increase effective Pay Period 1, 1989;
b. 2% across-the-board wage increase effective Pay Period 1, 1990;
c. 2% across-the-board wage increase effective Pay Period 14, 1990.

Article 14, Health Insurance

(See attached language for complete proposal.)

Maintain present benefits except as follows:

a. Under the Basic Plan Benefits, increase the major medical deductible to $100 per person, $300 per family maximum effective January 1, 1990;

b. Under the Basic Plan Benefits, add medically necessary human to human heart transplants effective January 1, 1990;

c. For calendar year 1989, under cost of coverage, maintain present benefit level but revise language to reflect changes of the 1987-1988 contract that became effective October 1, 1989;

d. For calendar year 1990, for employees enrolled in the Basic Plan, employees will contribute $7.50 per month for single enrollment and $15.00 per month for family enrollment;

e. For calendar year 1990, for employees enrolled in an HMO Plan, the City will contribute up to 105% of the premium cost of the lowest HMO offered by the City for single and family enrollees;

f. For employees in active service who retire prior to age 60 on a service retirement allowance during a one-year window that commences January 1, 1990, and ends on December 31, 1990, the City will contribute an amount towards meeting the monthly subscriber cost for single or family enrollment in the plan elected up to 100% of the monthly subscriber cost in the plan elected for the time period the retiree is at least 55 and less than 65; and

TA'ed Dec 11/22/89 Memo of Understanding

g. For calendar year 1990, increase the City's dental contribution from $8.50 to $10.00 per month for single enrollment and $26.60 to $30.00 per month for family enrollment.

II.

SUMMARY OF CITY/TEAM STIPULATED ISSUES
~~(See Language Attached)~~ (as provided to the mediator)

1. Article 1, Duration: Two years.

2. Article 11B, Duty-Incurred Disability Pay

   Maintain present language except, effective the next pay period following the execution date of this Agreement, reduce injury pay from 80% to 70% of base salary.

3. Article 11D, Sick Leave Control Program (SLIP)

   Maintain present language except update dates in paragraph 1, delete language relating to benefits prior to implementation of the 1987-1988 agreement and, effective prospectively, eliminate provision that a deduction of one day will be taken from the employee's sick leave account for each day taken off under SLIP.

4. Article 12B, Jury Duty

   Maintain present benefit but revise language to reflect practice.

5. Article 12D, Funeral Leave

   Effective prospectively, substitute "work days" for "calendar days;" eliminate travel time option, substitute leave to be taken within 10 days of death instead of "beginning with day of death and including the day after funeral" and add step-parents and step-children as immediate family.

6. Article 13, Pension Benefits

   Revise Article as follows:

   a. Employees in the coordinated plan who retire on or after January 1, 1989, shall not receive a service retirement allowance in excess of 70% of their final average salary at the time of retirement provided, however, that the application of this limitation shall not operate to diminish an employee's accrued benefits as of December 31, 1988, based on the employee's final average salary on the date of retirement;

   b. Employees in the coordinated plan who retire on or after January 1, 1989, shall not receive a reduction in their service retirement allowance on account of social security benefits paid or payable to such employee;

   c. An employee in active service, who has attained age 55 and has completed 30 years of creditable service in the Employes' Retirement System (ERS), will be eligible for a service retirement allowance as computed under Chapter 36.05(1)d. of the ERS Act provided that he/she retires on a service retirement allowance during a one-year window period that commences January 1, 1990, and ends December 31, 1990; and

d. Further amendments to Chapter 36 of the ERS Act as stated in the attached Pension Article to be in compliance with the 1986 Tax Law changes.

7. <u>New Article, Ordinance and Resolution Reference (Article 18B)</u>

Add provision concerning ordinance and resolution references (see Article 18B attached).

8. The parties agree to maintain the present language on the following Articles contained in the 1987-1988 City/TEAM labor agreement:

Preamble except update date.
Article 2, Recognition, except update date.
Article 3, Management Rights
Article 4A, Union Business and Union Meetings
Article 4B, Bulletin Boards
Article 4D, Check Off of Union Dues
Article 4E, Fair Share Deductions
Article 5, Prohibition of Strikes and Lockouts
Article 6, Grievance Procedure
Article 7, Arbitration Procedure
Article 8, Hours of Work
Article 9B, Technical "M" Ranges
Article 9C, Shift Differential except delete obsolete provision (paragraph 7) and revise paragraph 4 accordingly.
Article 9D, Overtime
Article 9E, Call-in Pay
Article 10A, Vacation
Article 10B, Personal Days
Article 10C, Holidays, except delete effective date for MLK Day.
Article 11A, Sick Leave
Article 11C, Reimbursement after Recovery from Third Party
Article 12A, Military Leave
Article 12C, Terminal Leave
Article 16B, Auto Allowance, except update dates.
Article 16C, Safety Shoes
Article 16D, License Fees
Article 18A, Subordinate to Charter
Article 18C, Waiver of Negotiations
Article 18D, Aid to Construction of Provisions of Agreement, except add date Common Council approves agreement.
Article 18E, Saving Clause
Article 18F, Entire Agreement
Article 4C, Pay for Union Negotiators
Article [illegible] [illegible] Ranges
Article [illegible] Life Insurance.

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8/2/90

9. The City also agrees to the amendments to the Tuition and Textbook Reimbursement (10[illegible]) [illegible] that were agreed [illegible] [illegible] Article [illegible] August 13, 1990 and [illegible] The parties [illegible]

ARTICLE 9

SALARY PROVISIONS

A. Base Salary.

1. Effective Pay Period 1, 1989, the biweekly salaries paid to the employees covered by this Agreement shall be as set forth in Appendix A, which is attached to and incorporated by reference in this Agreement.

2. Effective Pay Period 1, 1990, the biweekly salaries paid to the employees covered by this Agreement shall be as set forth in Appendix B, which is attached to and incorporated by reference in this Agreement.

3. Effective Pay Period 14, 1990, the biweekly salaries paid to the employees covered by this Agreement shall be as set forth in Appendix C, which is attached to and incorporated by reference in this Agreement.

4. Unless otherwise specified, employees shall move from the minimum step in the pay range to the maximum step in annual increments. The administration of the pay plan shall be in accordance with the salary ordinance.

5. Where necessary to aid recruitment, the City may make reallocations or change recruitment rates. The City shall inform the union prior to implementing such changes.

6. The City reserves the right to request the City Service Commission to make classification changes but said changes shall not operate to reduce the salary of current incumbents. These changes shall not be subject to arbitration under any established grievance procedure.

ARTICLE 14

HEALTH INSURANCE

A. Benefits

1. Basic Plan

During the term of this Agreement, Basic Plan health insurance benefits shall be the same as the Basic Plan benefits that were provided in the 1987-1988 City/Union Agreement, except for the following changes in these benefits:

a. Every medical procedure that can be performed on an outpatient basis shall not be covered by these benefits when the procedure is performed on a hospital inpatient basis. Procedures that can be performed on an outpatient basis that are done on an inpatient basis in conjunction with other procedures requiring inpatient status, or any procedures performed on an inpatient basis that constitute a medically verifiable exception (as determined by the Pre-Admission Review Contractor) to the requirement that it be performed on an outpatient basis, shall be covered.

b. Existing benefits provided under the "Hospital Surgical-Medical Contract Base Coverage" part of the Basic Plan for inpatient hospital treatment of alcoholism, drug abuse and nervous and mental disorders, shall be available to each participant for a maximum of thirty (30) days during any one calendar year. For inpatient hospital treatment of nervous and mental disorders only, an extension to such maximum of no more than 30 additional days during the calendar year may be allowed where such extension is medically justifiable. All other provisions in

respect to such benefits shall remain unchanged. Existing benefits provided under the "Major Medical Coverage" part of the Basic Plan for inpatient hospital treatment of alcoholism, drug abuse and nervous and mental disorders shall remain unchanged.

c. The maximum aggregate allowance limitation per participant during each calendar year on benefits providing outpatient services for alcoholism, drug abuse and nervous and mental disorders rendered in the outpatient department of a hospital or in an outpatient treatment facility, that are provided under the "Hospital Surgical-Medical Contract Base Coverage" part of the Basic Plan shall be $900. All other provisions in respect to such benefits shall remain unchanged. Existing benefits provided under the "Major Medical Coverage" part of the Basic Plan for benefits that provide outpatient services for alcoholism, drug abuse and nervous and mental disorders rendered in the outpatient department of a hospital or in an outpatient treatment facility shall remain unchanged.

d. The Pre-Admission Review (PAR) program, as established by the City, shall remain in effect for all elective procedures. The program will be an independent review that assures each patient that the proposed hospitalization is necessary, based upon the medical condition of the patient, delivered in the most appropriate medical setting (inpatient or outpatient) and fair and equitably priced. Whenever a physician recommends an elective procedure, the employee shall notify the designated PAR program representative of this fact by telephone at the time such procedure is recommended, in accordance with procedures

established by the Employee Benefits Administrator for that purpose. Any elective procedure not submitted to the designated PAR program representative (when established and the employees are duly notified) shall not be covered by these benefits. PAR shall determine whether or not a procedure is elective. Within 48 hours of the hospital admission time for any urgent or emergency procedure performed on an employee, or his/her dependents, the employee or adult responsible shall be required to notify the designated PAR program representative of this fact by telephone in accordance with procedures established by the Employe Benefits Administrator for that purpose; provided, however, that if bona fide medical circumstances applicable to the employee or their dependents preclude compliance with the 48-hour notification requirement, PAR shall authorize a reasonable extension of this time limit consistant with the circumstances. Following its review of an elective procedure contemplated for an employee, or dependents, PAR will inform the employee of its approval or denial of the procedure.

e. If no decision is reached within ten working days, PAR will notify the employee of the status of the elective procedure.

f. TEAM will be notified of any proposed changes in the PAR program before they are implemented.

g. A medical "hot-line" as established by the City shall remain in effect. This "hot-line" shall put employees and their families in immediate touch with health care professionals for information on the value, availability, use and price of the various health care services in the area.

h. Effective January 1, 1990, th. major medical deductible shall be increased to $100 per person, $300 per family maximum on the Basic Plan.

i. Transplant Benefits

(1) Effective January 1, 1990, medically necessary human to human heart transplants shall be added as a covered benefit under the Basic Plan. The participant must obtain prior authorization from the Pre-Admission Review Contractor and is subject to the terms and conditions of the Pre-Admission Review Program set forth in subsection A.1.(d) of this Article, above.

(2) The aggregate lifetime maximum benefit limit per participant for all organ or tissue transplant services for all covered transplant procedures is $250,000. This aggregate lifetime maximum benefit limit applies to all benefits arising out of an organ or tissue transplant.

2. Health Maintenance Organization (HMO) Plans

An employee shall have the right to select coverage under a Health Maintenance Organization (HMO) Plan approved by the City in lieu of coverage provided by the Basic Plan. The benefits for the HMO Plan selected, shall be as established by the provider of the HMO Plan.

3. Dental Insurance Benefits

a. Basic Dental Plan

Basic Dental Plan insurance benefits shall be the same as the benefits provided for in theDENTAL SERVICES GROUP CONTRACT FOR THE CITY OF MILWAUKEE, effective January 1, 1982, executed May 1, 1982. The dental insurance coverage for an eligible employee

electing coverage under the Basic Dental Plan shall be in lieu of the coverage provided by a prepaid dental plan.

b. Prepaid Dental Plans (PDP)

An employee shall have the right to select coverage under a Prepaid Dental Plan (PDP) approved by the City in lieu of the coverage provided by the Basic Dental Plan. The benefits of the PDP selected shall be as established by the provider of the PDP.

4. Cost Containment Provisions Applicable to All Plans:

a. The City will not pay for any services or supplies that are unnecessary according to acceptable medical procedures.

b. The City shall have the right to require an employee to execute a medical authorization to the applicable group to examine employee medical and/or dental records for auditing purposes.

c. The City shall have the right to establish measures it deems necessary to eliminate excessive costs in the application of the benefits provided under A.1., A.2. and A.3.

d. The City, in conjunction with its insurance administrator, carrier, or provider shall have the right to develop and implement any other cost containment measures it deems necessary.

e. An employee's health/dental benefits shall terminate on the last day of the calendar month in which the employee separates from active service, except as provided in B.4. and B.5., below.

B. Eligibility for Benefits

1. Employees in active service whose normal hours of work average more than twenty (20) hours per week or whose normal hours of work average twenty (20) hours per week on a year-round basis in a position which

is budgeted as half-time, shall be entitled to health insurance benefits through either the Basic Plan or an HMO Plan at their option.

2. Employees shall not be eligible for the benefits provided in A., above, during the time period they are employed on a provisional, emergency, part-time (for purposes of this provision, employees shall be termed part-time employees when their normal hours of work average less than 20 hours per week) temporary, student-aide type or seasonal basis.

3. Employees in active service shall be entitled to Dental Plan benefits provided in A.3.a. and b., above, so long as they remain in active service. All employees, while in active service, shall be required to participate in a City Dental Plan as described in A.3.a. and b., above, with the same enrollment status that they maintain for their health insurance benefits. Individuals not in active service shall not be entitled to participate in the Dental Plan.

4. Employees in active service who commence receiving a duty disability retirement allowance during the term of this Agreement shall be entitled to the benefits provided in A.1. or A.2., for the term of this Agreement.

5. Employees who retire on normal pension (as defined in Chapter 36 of the City Charter, 1971 compilation as amended) during the term of this Agreement, with at least 15 years of creditable service, shall be entitled to the benefits provided in A.1. or A.2., during the term of this Agreement so long as they are at least age 60 and less than age 65.If a retiree eligible for these benefits dies prior to age 65, the retiree's surviving spouse shall be eligible for these

benefits until the last day of the month prior to the month in which the deceased retiree would have attained age 65.

6. An employee in active service who retires with 30 years of creditable service prior to attaining age 60 on a service retirement allowance during a one-year window period that commences January 1, 1990, and ends December 31, 1990, shall be entitled to the benefits provided in subsection A.1. and A.2. during the term of this Agreement so long as he/she is at least age 55 and less than age 65. If a retiree eligible for these benefits dies prior to age 65, the retiree's surviving spouse shall be eligible for these benefits until the last day of the month in which the deceased retiree would have obtained age 65.

C. Cost of Coverage - Basic Health Insurance or HMO Plan Only

1. Employees in Active Service

a. For Time Period January 1, 1989, through September 30, 1989

(1) For Employees in Active Service Prior to September 1, 1983:

Except as provided in E. below, the City will contribute during the time period January 1, 1989, through September 30, 1989, an amount up to 100% of the monthly subscriber cost of either single or family enrollment in the Basic Plan toward meeting the cost of enrollment for the plan elected under A.1. or A.2. for eligible employees.

(2) Employees Newly Appointed to City Employment On or After September 1, 1983:

Except as provided in E., below, the City will contribute during the time period January 1, 1989, through September 30, 1989, an amount up to 85% of the Basic Plan subscriber

cost for single or family enrollment in the Basic Plan toward meeting the cost of enrollment for the plan elected under A.1. or A.2. for eligible employees. Thereafter, it is contemplated that the City will make contributions based upon the Basic Plan subscriber costs as follows:

85% during the first four years of active service;

90% during the next three years of active service;

95% during the next three years of active service;

100% after 10 years of active service.

If the subscriber cost for single or family enrollment in the plan selected exceeds the maximum City contribution provided, the amount of excess cost shall be deducted from the employee's monthly paycheck.

b. For the Time Period October 1, 1989, through December 31, 1989: Except as provided in E. below, the City will contribute during the time period October 1, 1989, through December 31, 1989, an amount up to 100% of the monthly subscriber cost of either single or family enrollment in the Basic Plan toward meeting the cost of enrollment for the plan elected under A.1. or A.2. for eligible employees.

c. For Calendar Year 1990

(1) For Employees Enrolled in the Basic Plan

Except as provided in subsection E., below, during calendar year 1990, an employee enrolled in the Basic Plan shall contribute an amount toward meeting the subscriber cost in the Basic Plan of $7.50 per month for single enrollment when such employee's enrollment status is single and $15.00

per month for family enrollment when such employee's enrollment status is family. The amount of employee contribution shall be deducted from the employee's pay check on a monthly basis. Any subscriber costs for single or family enrollment in excess of the above-stated amounts shall be paid by the City.

(2) For Employees Enrolled in a Health Maintenance Organization Plan.

(i) Single Enrollment Status

Except as provided in subsection E., below, during calendar year 1990, the City will contribute an amount towards meeting the subscriber cost for single enrollment in the plan elected of up to 105% of the 1990 calendar year monthly subscriber cost of single enrollment in the HMO offered by the City pursuant to subsection A.2., above, having the lowest single enrollment subscriber cost to the City. If the subscriber cost for enrollment in the plan elected exceeds the maximum City contribution provided, the employee shall have the amount of excess cost deducted from his/her pay check on a monthly basis.

(ii) Family Enrollment Status

Except as provided in subsection E., below, during calendar year 1990, the City will contribute an amount towards meeting the subscriber cost for family enrollment in the plan elected of up to 105% of the 1990 calendar year monthly subscriber cost of family

enrollment in the HO offered by the City pursuant to subsection A.2., above, having the lowest family enrollment subscriber cost to the City. If the subscriber cost for enrollment in the plan elected exceeds the maximum City contribution provided, the employee shall have the amount of excess cost deducted from his/her pay check on a monthly basis.

d. Employees who exhaust their sick leave during the term of this Agreement shall be permitted to maintain the benefits for the plan they were covered under on the date their sick leave was exhausted for up to six (6) months immediately following that date so long as the employee is unable to return to work because of medical reasons. The City's contribution towards the cost of maintaining the benefits during this period shall be as provided for in C.1., above. An employee returning from an unpaid medical leave, during which time he/she was receiving paid health insurance benefits under this provision, must remain in continuous active service for at least 15 calendar days to become eligible for another six-month extension of the health insurance coverage benefit provided hereunder. This provision shall not cover retirees (including disablity retirements).

e. The maximum City contributions provided above shall be determined by the employees' effective enrollment status; when their enrollment status is single, the above maximum shall be computed using the subscriber cost established for single enrollment status and when it is family, such computation shall be based on the subscriber cost established for family enrollment status.

2. Duty Disability

a. Employees in Active Service Prior to September 1, 1983.

Depending on the individual's single/family enrollment status, the cost of coverage for individuals receiving a duty disability retirement allowance shall be as provided for in subsection C.1.a.(1), C.1.b. or C.1.c. of this Article, above.

b. Employees Newly Appointed to City Employment On or After September 1, 1983.

Depending on the individual's single/family enrollment status, the cost of coverage for individuals receiving a duty disability retirement allowance shall be as provided for in subsection C.1.a.(2), C.1.b. or C.1.c. of this Article, above.

3. Employees Who Retire Between January 1, 1989, and December 31, 1990

a. For eligible employees who retire between January 1, 1989, and December 31, 1990, the City will contribute an amount towards meeting the monthly subscriber cost for single or family enrollment in the plan elected of up to 100% of the monthly subscriber cost of either single or family enrollment in the Basic Plan during the period after retirement the retiree is at least age 60 but less than age 65. If the per capita subscriber cost for enrollment in the plan selected by the retiree exceeds the maximum City contribution for retirees provided, the retiree shall have the amount of such excess cost deducted from his/her pension check.

b. For employees in active service who retire prior to age 60 on a service retirement allowance during a one-year window that commences January 1, 1990, and ends on December 31, 1990, the

City will contribute an amou. . towards meeting the monthly subscriber cost for single or family enrollment in the plan elected of up to 100% of the monthly subscriber cost of either single or family enrollment in the Basic Plan during the period after retirement the retiree is at least age 55 and less than age 65. If the per capita subscriber cost for enrollment in the plan selected by the retiree exceeds the maximum City contribution for retirees provided, the retiree shall have the amount of such excess cost deducted from his/her pension check.

c. After December 31, 1990, the term, "Basic Plan," as used in this subsection, shall mean the health insurance coverage provided under the Basic Plan provision in the Agreement between the City and the Union as is in effect from time to time.

d. Surviving Spouse

The provisions of subsection C.3. shall be applicable to a surviving spouse eligible for retiree health insurance benefits under subsection B.5. of this Article.

D. Cost of Coverage -- Dental Plan

1. Calendar Year 1989

In calendar year 1989, the City will contribute an amount up to $8.50 per month for single enrollment and an amount up to $26.60 per month for family enrollment towards meeting the subscriber cost of the dental plan elected. If the subscriber cost for single or family enrollment in the Dental Plan elected exceeds the maximum City contribution provided, employees shall have the amount of such excess cost deducted from their pay checks on a monthly basis.

2. Calendar Year 1990

In calendar year 1990, the City will contribute an amount up to $10.00 per month for single enrollment and an amount up to $30.00 per month for family enrollment towards meeting the subscriber cost of the dental plan. If the subscriber cost for single or family enrollment in the Dental Plan exceeds the maximum City contribution provided, the employees shall have the amount of such excess cost deducted from their pay check on a monthly basis.

E. Prorata Credit for Half-time Employees

The City's contribution for an eligible employee whose normal hours of work average 20 hours per week on a year-round basis in a position which is budgeted as half-time shall not exceed 50% of the maximum City contributions required under C.1.a., C.1.b., C.1.c. or D. of thisArticle, above.

F. Self-Administration Offset

The per capita subscriber costs associated with the health or dental insurance coverage provided by each of the plans listed in A., above, include amounts allocable to the administrative costs of the carriers providing such coverage. If the City elects to self-administer the Basic Health Insurance Plan and/or the Basic Dental Plan, then effective with the calendar month during which this election becomes effective, and so long as it continues in effect, the maximum City contributions provided in C., D. and E., above for employees covered by such a self-administered plan shall be reduced by an amount equal to one hundred percent (100%) of the difference between the monthly administrative costs associated with such plan prior to the effective date it became self-administered and the monthly administrative costs associated with the plan when it is self-

administered, capitated for each subscriber in the plans on the basis of single or family enrollment status. This provision shall not increase the dollar contributions paid by the employe during the term of this Agreement.

G. Non-duplication

1. If more than one City employee is a member of the same family, as defined in provisions of the Plans defined in A., above, the coverage shall be limited to one family plan, regardless of the date either spouse entered City Service.

2. In the event a program of health insurance is adopted by the Federal or State government and the City is required or elects to participate in it, benefits under the City Plan shall be coordinated with such systems but shall not operate to increase or diminish the extent of the coverage.

3. A retiree shall be ineligible to receive the retiree health insurance benefits provided hereunder only to the extent the retiree received such benefits from other employment or from the employment of the retiree's spouse if the benefits received by the spouse cover the retiree.

4. City health insurance cost contributions provided hereunder to a retiree shall be in lieu of any other City retiree health insurance contributions provided by ordinance, resolution or by other means, while a retiree is receiving the benefits hereunder.

5. After any deductible is paid, the employee's share of the cost for claims made under the Major Medical co-insurance provisions shall not be less than 20%.

6. In the event an employee or eligible dependent becomes eligible for Medicare benefits prior to attaining age 65, the City will contribute an amount up to the City's maximum contribution provided in C., above, towards the cost of coverage for the City's Medicare Supplemental Plan.

H. Right of City to Select Carrier

The City retains the right to select and, from time to time, to change any of its carriers that provide the benefits set forth in A., above; at its sole option, the City shall have the right to provide any or all of these benefits on a self-insured basis and/or to self-administer them (in this circumstance the term "carrier" as used in this Article shall also mean self-insurer and/or self-administrator).

I. Employees on Leave of Absence, Layoff or Suspension

An employee in active service may elect to be covered by the benefits in subsections A.1. or A.2., above, while on an authorized leave of absence, layoff or suspension. Individuals on an authorized leave of absence, layoff or suspension, shall pay 100% of the cost associated with their coverage. The rates for such coverage shall be determined by the City and may be adjusted from time to time. This provision shall be applicable only during the first twelve (12) months of an employee's authorized leave of absence.

J. There shall be a 270-day waiting period for pre-existing conditions for the benefits provided by the basic plan.

K. An employee who is recalled from layoff for a period of less than twenty (20) consecutive work days shall not be entitled to the benefits provided under A.1., A.2., A.3., or A.4., above.

L. Effective Date

Except where specifically provided otherwise herein, the provisions of this Article shall be effective from January 1, 1989, through December 31, 1990.

Appendix
1989 Rates . . Pay

The following chart expresses the 1989 rates of pay effective Pay Period 1, 1989 (December 25, 1988)

Pay Range 620

Official Rate - Biweekly

$ 966.05	$1,008.18	$1,052.15	$1,098.02	$1,145.89
$1,195.88*	$1,247.99*	$1,302.42*		

*Technical "M" Ranges.

Pay Range 622

Official Rate - Biweekly

$1,145.89	$1,195.88	$1,247.99	$1,302.42	$1,359.22
$1,418.49*	$1,480.34*			

*Technical "M" Ranges.

Pay Range 624

Official Rate - Biweekly

$1,098.02	$1,145.89	$1,195.88	$1,247.99	$1,302.42

Pay Range 626

Official Rate - Biweekly

$1,247.99	$1,302.42	$1,359.22	$1,418.49	$1,480.34

Pay Range 628

Official Rate - Biweekly

$1,418.49	$1,480.34	$1,544.86	$1,612.22	$1,682.52

Pay Range 630

Official Rate - Biweekly

$1,612.22	$1,682.52	$1,755.89	$1,832.46	$1,912.36

Appendix B*

The following chart expresses the 1990 rates of pay effective Pay Period 1, 1990 (December 24, 1989).

Pay Range 620

Official Rate - Biweekly

$ 985.37	$1,028.34	$1,073.19	$1,119.98	$1,168.81
$1,219.80*	$1,272.95*	$1,328.47*		

*Technical "M" Ranges.

Pay Range 622

Official Rate - Biweekly

$1,168.81	$1,219.80	$1,272.95	$1,328.47	$1,386.40
$1,446.86*	$1,509.95*			

*Technical "M" Ranges.

Pay Range 624

Official Rate - Biweekly

$1,119.98	$1,168.81	$1,219.80	$1,272.95	$1,328.47

Pay Range 626

Official Rate - Biweekly

$1,272.95	$1,328.47	$1,386.40	$1,446.86	$1,509.95

Pay Range 628

Official Rate - Biweekly

$1,446.86	$1,509.95	$1,575.76	$1,644.46	$1,716.17

Pay Range 630

Official Rate - Biweekly

$1,644.46	$1,716.17	$1,791.01	$1,869.11	$1,950.61

Appendix "C"

The following chart expresses the 1990 rates of pay effective Pay Period 14, 1990 (June 24, 1990).

Pay Range 620

Official Rate - Biweekly

$1,005.08	$1,048.91	$1,094.65	$1,142.38	$1,192.19
$1,244.20*	$1,298.41*	$1,355.04*		

*Technical "M" Ranges.

Pay Range 622

Official Rate - Biweekly

$1,192.19	$1,244.20	$1,298.41	$1,355.04	$1,414.13
$1,475.80*	$1,540.15*			

*Technical "M" Ranges.

Pay Range 624

Official Rate - Biweekly

$1,142.38	$1,192.19	$1,244.20	$1,298.41	$1,355.04

Pay Range 626

Official Rate - Biweekly

$1,298.41	$1,355.04	$1,414.13	$1,475.80	$1,540.15

Pay Range 628

Official Rate - Biweekly

$1,475.80	$1,540.15	$1,607.28	$1,677.35	$1,750.49

Pay Range 630

Official Rate - Biweekly

$1,677.35	$1,750.49	$1,826.83	$1,906.49	$1,989.62

MEMORANDUM OF UNDERSTANDING
BETWEEN
TECHNICIANS, ENGINEERS AND ARCHITECTS OF MILWAUKEE ("Union")
AND
THE CITY OF MILWAUKEE ("City")

The parties agree that:

1. The total and complete pension benefits in 1989 and 1990 for employees represented by the Union shall be as provided and set forth in Appendix A hereof; and
2. The health benefits for certain employees represented by the Union shall be as provided in and set forth in Appendix B hereof; and
3. Aforesaid Appendices A and B shall be effective on the dates set forth in Appendix A and B hereof and made part of the 1989-1990 City/Union labor contract.

The parties further agree that the provisions of Appendix A and B nullify provisions governing extension of the 1987-1988 City/Union labor contract in respect to pension benefits and applicable health benefits (such extension being set forth in a Memorandum of Understanding attached as Appendix C); in all other respects, Appendix C shall remain in full force and effect.

Dated: 11/28/89

Union Representatives

City Representatives

EFS:bh
Hlth-PenMU
LAB/TEAM
11/28/89

APPENDIX A

ARTICLE 13

PENSION BENEFITS

Pension benefits for employees covered by this Agreement shall be those benefits defined in Chapter 36 of the City Charter (ERS Act) that are applicable to General City Employees. Except for the following changes enumerated below, these pension benefits shall continue unchanged during the term of this Agreement:

1. Employees in the coordinated plan who retire on or after January 1, 1989, shall not receive a service retirement allowance in excess of 70% of their final average salary at the time of retirement provided, however, that the application of this limitation shall not operate to diminish an employee's accrued benefits as of December 31, 1988, based on the employee's final average salary on the date of retirement.
2. Employees in the coordinated plan who retire on or after January 1, 1989, shall not receive a reduction in their service retirement allowance on account of social security benefits paid or payable to such employee.
3. Section 36.02(12) of the City Charter shall be amended to provide that earnable compensation for any 1 year creditable service shall not exceed $200,000. However, if the Secretary of the Treasury amends the above amount, this provision shall be modified accordingly.
4. The service retirement allowance for members who retire on or after January 1, 1989, shall not exceed the lesser of an amount determined by the Secretary of the Treasury under Section 415 of the Internal Revenue Code or 100% of final average salary.
5. Section 36.05(7)(b)5, "Option 4" shall be repealed and recreated to read as follows:

"OPTION 4." A reduced retirement allowance payable during the member's life, with some other benefit payable to a designated beneficiary or for the benefit of a designated beneficiary after the member's death, provided the succeeding benefits are payable over a period not extending beyond the life of the designated beneficiary or over a period not extending beyond the life expectancy of the designated beneficiary, provided the payment of the succeeding benefits are payable commencing no later than one year after the date of the member's death or in the case of a surviving spouse designated beneficiary, no later than one year after the date of the member's death or no later than the date upon which the spouse is 70½ years of age, whichever shall come later, and provided the benefit shall be approved by the board.

6. Notwithstanding any other provision of s. 36-05-7, on or after January 1, 1989, a member may not elect an option in which the present value of the allowance payable to the member over the member's life expectancy does not exceed the present value of the succeeding benefit.

7. An employee in active service, who has attained age 55 and has completed 30 years of creditable service in the Employes' Retirement System (ERS), will be eligible for a service retirement allowance as computed under Chapter 36.05(1)d. of the ERS Act provided that he/she retires on a service retirement allowance during a one-year window period that commences January 1, 1990, and ends December 31, 1990. This paragraph shall not affect eligibility for a Protective Survivorship Option, the minimum service retirement age or any other ERS benefit.

APPENDIX B

ARTICLE 14

HEALTH INSURANCE

B. Eligibility for Benefits

6. An employee in active service who retires with 30 years of creditable service prior to attaining age 60 on a service retirement allowance during a one-year window period that commences January 1, 1990, and ends December 31, 1990, shall be entitled to the benefits provided in subsection 1.a. and 1.b. during the term of this Agreement so long as he/she is at least age 55 and less than age 65. If a retiree eligible for these benefits dies prior to age 65, the retiree's surviving spouse shall be eligible for these benefits until the last day of the month in which the deceased retiree would have obtained age 65.

C. Cost of Coverage - Basic Health Insurance or HMO Plan Only

3. Employees Who Retire Between January 1, 1989, and December 31, 1990

a. For eligible employees who retire between January 1, 1989, and December 31, 1990, the City will contribute an amount towards meeting the monthly subscriber cost for single or family enrollment in the plan elected of up to 100% of the monthly subscriber cost of either single or family enrollment in the Basic Plan during the period after retirement the retiree is at least age 60 but less than age 65. If the per capita subscriber cost for enrollment in the plan selected by the retiree exceeds the maximum City contribution for retirees provided, the retiree shall have the amount of such excess cost deducted from his/her pension check.

b. For employees in active service who retire prior to age 60 on a service retirement allowance during a one-year window that commences January 1, 1990, and ends on December 31, 1990, the City will contribute an amount towards meeting the monthly subscriber cost for single or family enrollment in the plan elected of up to 100% of the monthly subscriber cost of either single or family enrollment in the Basic Plan during the period after retirement the retiree is at least age 55 and less than age 65. If the per capita subscriber cost for enrollment in the plan selected by the retiree exceeds the maximum City contribution for retirees provided, the retiree shall have the amount of such excess cost deducted from his/her pension check.

c. After December 31, 1990, the term, "Basic Plan," as used in this subsection, shall mean the health insurance coverage provided under the Basic Plan provision in the Agreement between the City and the Union as is in effect from time to time.

d. Surviving Spouse

The provisions of subsection C.3. shall be applicable to a surviving spouse eligible for retiree health insurance benefits under subsection B.5. of this Article.

EFS:bh
Hlth-PenMU
LAB/TEAM
11/28/89

APPENDIX C

AGREEMENT BETWEEN THE CITY OF MILWAUKEE
AND TECHNICIANS, ENGINEERS AND ARCHITECTS OF MILWAUKEE

The City of Milwaukee, hereinafter referred to as "City," and Technicians, Engineers and Architects of Milwaukee, hereinafter referred to as "Union," agree to extend the 1987-1988 Labor Contract between the parties beyond December 31, 1988, to be in full force and effect until either the City or the Union decides to terminate such Labor Contract. The party so deciding shall serve notice by certified mail upon the other party no later than fourteen (14) calendar days prior to the date on which the party has decided to terminate the Labor Contract.

FOR THE CITY

Danae Davis Gordon 10/25/89
Danae Davis Gordon Date
City Labor Negotiator

Elisabeth F. Schraith 10-25-89
Elisabeth F. Schraith Date
Labor Relations Officer

FOR THE UNION

Robert R. Luebben 10/25/89
Robert R. Luebben Date
President, TEAM

E. Campion Kersten 10/25/89
E. Campion Kersten
Attorney for TEAM

EFS:bh
ExtAgmt-MU
LAB/TEAM
10/25/89