

EDWARD B. KRINSKY, ARBITRATOR

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In the Matter of the Petition of	:	
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CITY OF RICE LAKE	:	
	:	Case 44
To Initiate Arbitration	:	No. 45263
Between Said Petitioner and	:	INT/ARB-5934
	:	Decision No. 26888-A
INTERNATIONAL BROTHERHOOD OF	:	
ELECTRICAL WORKERS, LOCAL 953	:	
	:	

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Appearances:

Weld, Riley, Prens & Ricci, S.C., by Mr. Stephen L. Weld,  
for the City.  
Mr. Bruce Michalke, Assistant Business Manager, for the  
Union.

On June 27, 1991, the Wisconsin Employment Relations Commission issued an Order appointing the undersigned as arbitrator, ". . .to issue a final and binding award, pursuant to Sec. 111.70(4)(cm)6 and 7 of the Municipal Employment Relations Act. . .by selecting either the total final offer of the City..or the total final offer of. . .Local 953."

A hearing was scheduled to be held on August 9, 1991. On August 8th the parties notified the arbitrator that they wished to postpone the scheduled hearing and attempt to resolve the dispute. Their efforts were unsuccessful. They agreed to proceed without a hearing by submitting exhibits, briefs and reply briefs to the arbitrator. The record was completed with the receipt by the arbitrator of the parties' reply briefs on October 11, 1991.

The parties have a Working Agreement for 1990-1991. That Agreement contains a limited reopener provision for 1991:

Article XVI - Retirement & Insurance

. . .

C. The parties agree that health insurance contributions for the 1991 calendar year shall be the subject of negotiations between the parties during the term of this agreement.

It is the parties' inability to resolve the issue of 1991 health insurance contributions that has led to this arbitration.

The dispute involves one issue: dollar contributions for health insurance. No language is in dispute. For 1990, Article XVI B. provides:

Effective January 1, 1990, the City agrees to pay up to \$250.74 per month for family coverage and up to \$97.69 per month for single coverage for the employees' health and welfare insurance policy. . . .

For 1990 the actual premiums were \$240.94 and \$96.36. Thus, the Agreement at Article XVI B. for 1990 resulted in full payment of the premiums by the City. There was no contribution required of the employees.

For 1991, the City's final offer is \$285.20 per month for family coverage and \$115.10 per month for single coverage. The Union's final offer is \$295.25 and \$118.10.

For 1991 the actual premiums are \$295.25 and \$118.10. Thus, under the Union's final offer, the City would continue to pay the full premiums. Under the City's final offer, employees would be required to pay \$10.05 per month for family coverage and \$3.00 per month for single coverage.

In reaching his decision the arbitrator is required to give weight to the statutory factors. There are no arguments raised by the parties with regard to several of them: (a) lawful authority of the employer; (b) stipulations of the parties; (c) interests and welfare of the public and the financial ability of the employer to meet the costs of settlement; (g) cost of living; (h) overall compensation; and (i) changes in circumstances during the pendency of the arbitration proceedings. The arbitrator has weighed the remaining factors and will discuss them below.

Factor (d) requires the arbitrator to consider a comparison of the wages, hours and conditions of employment of the employees involved in this dispute with "other employes performing similar services."

In a 1982 arbitration between these parties, Arbitrator Yaffe identified other municipal utilities which, in his view, were appropriate comparables. They were: Barron, Bloomer, Black River Falls, Cumberland, Medford, New Richmond, Richland Center, River Falls, Spooner and Wisconsin Rapids. In the current proceeding, the City has used these comparables and has added to

them Cadott, Cornell and Marshfield based upon their geographic proximity and the size of their departments. In its exhibits, the Union has not offered external comparables. There being no dispute, the arbitrator will utilize the comparables suggested by the City.

In nine of these comparables, for 1991, the employer pays the full premium for health insurance, both single and family. In the other five (including the three comparables added by the City in this proceeding), the employer pays less than 100% (Cadott - 94% single, 97% family; Cornell - 100% single, 97% family; Marshfield - 90%; Medford - 75%; River Falls - 95%). Moreover, in all fourteen comparables, the premiums paid by the employers are greater than the amounts which the City proposes to pay for family coverage. For single coverage, only one employer is paying a lower premium than that offered by the City.

These comparisons clearly show that the City is not in a disadvantaged position relevant to other municipal utilities with respect to health insurance arrangements. These comparisons clearly favor the Union's final offer to maintain full payment of premiums by the City.

Factor (e) is a comparison with "other employees generally in public employment in the same community and in comparable communities." The City negotiates with four other bargaining units and also has non-union employees. Three of the bargaining units (Water Utility, Firefighters and Streets) voluntarily agreed, in their 1990-91 Agreements, that the premiums paid by the City for 1991 would be \$285.20 - family, and \$115.10 - single. This is also the premium paid by the City for its non-union employees. This is the same premium arrangement which is contained in the City's final offer to the Union.

The fifth bargaining unit, the police, have been offered \$309 - family, and \$121 - single for 1991. Those premiums are the same amounts which were in effect for that bargaining unit in 1990. The City and the police unit are in arbitration at the present time over this issue for 1991.

The internal comparisons clearly favor the City's final offer. The unrebutted evidence also is that the City has been striving for some years to obtain uniformity of health insurance arrangements with its bargaining units and has largely succeeded since 1987. The police unit is the exception. A 1990 decision by this arbitrator between the City and the police was in favor of the City's final offer, which brought the police unit closer to the settlement pattern than would have been the case had the police union's award been implemented.

The Union justifies its final offer for City-paid premiums above the amounts given to the other units in part by relying on an undated "Letter of Agreement" between it and the City, as follows:

After having reached a mutually agreeable contract for the years 1988 and 1989, it is agreed between both parties that if any of the other departments of the City (Police, Street, Water) during the course of their negotiations receive an improvement, (cost or benefit) in their Health and Welfare Insurance Policy, then the aforementioned parties shall meet and negotiate in good faith those changes that would be applicable only to Article XVI (B) of the working agreement between the City of Rice Lake Electric Utility and Local Union 953, International Brotherhood of Electrical Workers.

In the arbitrator's opinion, the above-quoted "Letter of Agreement" has no relevance to the current dispute. Regardless of the interpretation of the document, in terms of what the parties obligated themselves to do, the fact is that by its own terms the Letter applied to the contracts of other bargaining units covering the years 1988 and 1989. The current dispute involves 1991. There is no document in effect covering 1991 bargains which is similar to the above-quoted one. Thus, the Union's argument (that because higher premiums were/are paid to the police, these should also be paid for the bargaining unit) has no support based on any promises made by the City.

The Union argues also that what is paid to other employees of the City is not relevant to, or controlling of, its bargain with the City. Clearly the bargaining with other units is relevant, since it is included in the statutory criteria which must be weighed by the arbitrator. The weight to attach to it is for the arbitrator to determine.

The Union notes also that when the City changed the insurance carrier in 1990, there were some benefits which employees now have to pay for. The Union provided insurance documents as part of its exhibits, but they do not show clearly which expenses are now borne by employees which were paid by the prior insurance company. The Union views the City's offer for 1991 as penalizing it a second time, because now employees will also have to pay for part of the premiums if the City's final offer is implemented.

It is clear that three of the four other bargaining units have accepted the City's final offer, resulting in partial payment of premiums by employees. The fourth unit is in arbitration. These internal comparisons clearly favor the City's position. The arbitrator is not persuaded by the Union's arguments that the internal comparables favor its final offer.

Also relevant to criterion (e) are comparisons with other units of government. The City has introduced data showing that

the Rice Lake School District pays 95% of family premiums to its teachers, secretaries and aides, and custodians. Barron County pays for 85% of family coverage, or its dollar equivalent to five of its units. A sixth has not yet settled for 1991. These data also support the City's final offer.

Factor (f) requires the arbitrator to weigh comparisons with "private employment in the same community and in comparable communities."

The City has presented reports of national trends showing that, increasingly, employees are being required to pay for a portion of health insurance premiums. In addition, the City sent a health insurance survey to fifty private sector manufacturing and service companies in Barron County, in the communities of Barron, Chetek, Cumberland and Rice Lake. It received 26 "usable responses." For hourly employees of 24 companies which offered health insurance, there was an employee contribution in 21 of them. The contribution percentage by employees was 9% or higher in 23 of the 24 companies.

The arbitrator has not presented these survey responses here. The survey responses show the name of the business, its type, the number of hourly and salaried employees, and whether the employees are covered by a union contract. Only four of the responses were from businesses which have union contracts.

These private sector data for diverse and mainly non-unionized employees are not entitled to as much weight in this proceeding, in the arbitrator's opinion, as either the internal comparisons or the comparisons with external municipal utilities. Nonetheless, the data clearly show that the private sector data in the local geographic area support the City's offer more than the Union's.

Factor (j) requires the arbitrator to give weight to "such other factors. . . normally or traditionally taken into consideration (in). . . arbitration." The dispute in this case involves one such other factor, namely the pattern of bargaining within the City.

Arbitrators normally will not disturb a consistent and long-standing pattern of bargaining unless there is compelling reason to do so. The bargaining unit in this case is a small one, having six full-time employees. There is no evidence in the record that this bargaining unit has been the pattern-setter in the past in its negotiations with the City.

The City has clearly shown that it has tried since at least 1987, and largely succeeded, to achieve uniformity of payment of health insurance contributions with four of its five bargaining units, including the one involved in this dispute. The fifth, the police, as already mentioned is not part of that pattern, but the City has been making efforts to bring the police into that

pattern, including its efforts in 1990, supported by this arbitrator. Towards that end, the City has not increased its health insurance premium payments to the police for 1991 and it is now in arbitration in hopes of getting further support for its efforts.

In the arbitrator's opinion, factor (j) favors the City's position, as there is no compelling reason shown by the Union which would justify there being a greater health insurance payment given to this bargaining unit than to the others which have reached voluntary settlement accepting what the City has proposed. It is noteworthy, also, that the City's offer, while requiring an employee contribution, represents a monthly premium increase paid by the City of \$44.26 monthly for family, and \$18.74 for single, over 1990 premiums. The employee contribution, while significant (\$10 per month family, and \$3 single), is not so high as to provide a compelling justification for a break in the established pattern of settlement.

### Conclusion


It is the arbitrator's conclusion that the internal comparisons which favor the City, and the City's continuing efforts to establish and maintain a uniform approach to health insurance payments in its bargaining units which have been accepted voluntarily by all other city employees except police, are entitled to greater weight than the external comparison with other municipal utilities which clearly favor the Union's final offer. The external comparisons with other public employers and private employers in Barron County also favor the City's final offer more than the Union's.

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

### AWARD

The City's final offer is selected.

Dated at Madison, Wisconsin, this 4<sup>th</sup> day of November, 1991.

  
Edward B. Krinsky  
Arbitrator