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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of

COMMUNICATION WORKERS OF AMERICA
LOCAL 4671

To Initiate Arbitration
Between Said Petitioner and

Case 41
No. 49524 INT/ARB-6958
Decision No. ~~27580-A~~
27850-A

CITY OF REEDSBURG (GENERAL CITY WORKERS)

APPEARANCES.

Ann McNearv on behalf of the Union
James Gerlach on behalf of the City

Pursuant to a stipulation entered into between the above named parties the undersigned was designated Arbitrator for the purposed of resolving a contract impasse existing between said parties. A hearing in the matter was conducted on January 13, 1994 in Reedsburg, WI. Briefs were exchanged by the parties and the record was closed by February 8, 1994. Based upon a review of the foregoing record, and utilizing the criteria set forth in Section 111.70(4)(cm) Wis. Stats. the undersigned renders the following arbitration award.

ISSUES

The issues in dispute include the following

Health Insurance

The City proposes a \$100.00 single and \$200 family aggregate deductible effective March 1, 1993

The Union proposes a \$150 single and \$300 family aggregate deductible. It also proposes deletion of the \$10.00 per paycheck contribution to insurance provided for in the prior agreement between the parties, which amounted to \$260 per year based upon a bi weekly payroll

Longevity.

The City proposes a longevity benefit of \$20 per year for eligible employees effective January 1, 1994.

The Union proposes a longevity benefit of \$20 per year for eligible employees effective 1/1/93, and \$21 per year effective 1/1/94.

Wages:

The City proposes the following across the board wage increases:

1/1/93	2%
7/1/93	2%
1/1/94	3%
7/1/94	2%

The cost to the City for the first year of the contract would be 33¢ (3%) per hour, and for the second year it would be 45¢ (4%) per hour, and the push over two years would be \$1.00 per hour.

In addition the City proposes a temporary labor rate of \$6.50 and a new WWTP Operator Class IV at 20¢ per hour over the rates established for the WWTP Operator Class III.

The Union proposes the following across the board increases:

1/1/93	\$.25
7/1/93	\$.35
1/1/94	\$.60

The cost of the Union's proposal in the first year would be 43¢ (4%) per hour, and it would be 60¢ (5.3%) per hour in the second year. The push over two years would be \$1.20 per hour.

In addition, the new WWTP Operator Class IV position would receive \$.15 higher than the Class III on 1/1/93 and an additional \$.15 higher on 1/1/94.

External Comparables:

The parties disagree as to what communities should be utilized as comparables in this proceeding.

Each of the foregoing issues will be discussed individually, after which, the parties' total package final offers will be discussed.

EXTERNAL COMPARABLES:

City Position:

The City proposes communities generally in the same geographic area, whereas the Union proposes communities in the Madison-Milwaukee corridor and the Eau Claire-Minneapolis, St. Paul corridor.

The City's proposed comparables are more appropriate based upon their geographic proximity and similarity of size. The Union's proposed comparable pool is inappropriate because it includes the much more metropolitan community of Eau Claire. There is also a substantial economic difference between the more metropolitan aligned Union comparables and the adjacent rural comparables proposed by the City.

Discussion.

Based upon geographic proximity and similarity of size, the City's proposed external comparables are more appropriate than the Union's, and accordingly will be utilized herein.

HEALTH INSURANCE:

City Position:

Since both parties are proposing changes to the health insurance plan, the necessity for a quid pro quo is minimized, if not eliminated. (Citation omitted) A demonstrated need for a change in this regard has been recognized by both parties.

If a quid pro quo were deemed to be required, the City's offer provides an adequate quid pro quo for the change. In the this regard, the City's proposed 3%/2% split in 1994 provides an adequate quid pro quo for the 9¢ to 11¢ per

hour risk associated with the City's proposed deductible. In contrast, the Union extracts an unjustifiable cost in return for its proposed change.

The real issue is which offer is more reasonable in light of the appropriate comparables.

The comparables clearly support the City's proposal.

Internal comparables support the City's offer in that both the police and dispatchers units have accepted the equivalent of the City's proposal herein, without any quid pro quo.

All City units have had identical health insurance coverage.

When external comparables are looked at, the City provides its workers with superior health insurance benefits based upon breadth of coverage--it has no drug co pay, deductible co insurance, or occurrence fees. Every other policy has these elements except for Tomah which only has a deductible and Mauston which has neither a deductible or co pay. But these two communities require substantially higher monthly contributions toward a family plan than does the City.

Union Position:

Though the City utilizes actuarial risk costs, its actual health insurance costs, over the last four years have been significantly less than the actuarial risk costs cited by the City.

The Union's health insurance proposal addresses the City's main health insurance concern, getting a deductible in place. In fact, the Union's proposal would impose an even greater deductible than the City has proposed.

The record makes clear that the \$10.00 per check contribution toward health insurance made by employees does nothing toward keeping the City's health insurance costs down, nor does it discourage use. If the City is really serious about cost containment, the Union's proposal better addresses the problem, while at the same time keeping the overall cost increase to employees at a more manageable level.

Many of the City's proposed external comparables which have deductibles have no other set employee contribution. In addition, several of the City's proposed comparables provide dental coverage which the City does not provide.

The City is also attempting to impose on the unit a change which was established in bargaining with another union. Though the City argues for uniformity of benefits in this regard, for most of 1993 there have been at least two distinct insurance policies administered, and it has not caused undue hardship or confusion.

In addition, the Union herein represents more than half of the employees in the City's plan. Under such circumstances, the City has not made a strong case why the Union should accept the change it has negotiated with another union.

Discussion:

The City's health insurance proposal is supported by internal comparables, and though there is no clear pattern among external comparables, it is not out of line with the contributions employees make in providing for their own health care in other comparable communities. Further support for the City's position on this issue can be found in the fact that the City's plan provides up front coverage for prescriptions, whereas such coverage is not provided in the majority of comparable communities.

WAGES:

City Position:

Though the Dispatcher unit settlement exceeds the City's wage proposal herein, a catch up increase for dispatchers was necessary.

The City's proposed 4% push in the first year and 5% push in the second year is better than employees in any comparable community have received.

After adding 4% to its 1992 wage, the City's pay for 1993 falls well within the range of wages other comparable communities pay. In many cases the City's proposed wage is far better than the comparables, particularly in the clerical and labor grade classification.

There is no evidentiary support for the Union's proposed differential for the WWTO III. In fact, no one even has a level III certificate in the City.

The City's proposed wage increases also exceed relevant cost of living increases. Relatedly, there is no justification based upon cost of living

considerations for the almost 11% wage increase in two years proposed by the Union.

Union Position.

The cents per hour increase proposed by the Union is clearly fairer to employees than the City's proposed percentage increase.

The Union's proposed wages are also not out of line with wages in either party's proposed comparables.

Discussion.

External comparables support the reasonableness of the value of City's wage offer. Though the undersigned is disposed to agree with the Union that a cents per hour increase may be more equitable to employees than a percentage increase, absent evidence of the need for catch up, which is not evident in this proceeding, there does not appear to be justification for the Union's second year wage proposal, which does not fall within the parameters of any comparable settlements.

LONGEVITY:

City Position:

The City's proposal on this issue is equal to or better than the longevity benefits provided all other City employees.

In addition, five external comparables have no longevity, and except for Wisconsin Dells, the City's proposal keeps the City competitive with other comparable communities.

Union Position:

The Union's longevity proposal is compatible with the longevity benefits provided in the City's proposed comparable communities which provide such benefits.

Discussion:

Neither internal comparables nor a clear pattern of external comparable benefits support the Union's proposal on this issue. Indeed, internal comparables support the City's position on this issue.

TOTAL PACKAGE:**Union Position:**

The City's total package final offer would adversely impact the employees by nearly doubling their share of health insurance costs and by barely allowing them to maintain their present "real" income, as far as wage are concerned.

Discussion:

On the merits of each of the issues in dispute, the undersigned has concluded for reasons discussed above that the City's proposal is more reasonable than the Union's. Though the undersigned would have preferred selecting a cents per hour wage increase, the totality of the record clearly supports the selection of the City's total package final offer.

For all of the foregoing reasons the undersigned hereby renders the following:

ARBITRATION AWARD

The City's final offer shall be included in the parties' 1993-1994 collective bargaining agreement.

Dated this 16th day of March, 1994 at Madison, WI.


Byron Yaffe
Arbitrator