

**STATE OF WISCONSIN**  
**BEFORE THE ARBITRATOR**

In The Matter Of The Petition Of

**WISCONSIN PROFESSIONAL POLICE ASSOCIATION/  
LAW ENFORCEMENT EMPLOYEE RELATIONS DIVISION**

Case 44, No. 65398  
MIA-2702  
Decision No. 31648-A

To Initiate Interest Arbitration  
Between Said Petitioner and

**VILLAGE OF WEST MILWAUKEE (POLICE)**

**APPEARANCES:**

Mr. Thomas Bahr, Business Agent, 340 Coyier Lane, Madison, Wisconsin 53713, on behalf of the Wisconsin Professional Police Association/Law Enforcement Employee Relations Division.

Attorney Susan Love, Davis & Kuelthau, 111 E. Kilbourn Ave., #1400, Milwaukee, Wisconsin 53202-6613, on behalf of the Village of West Milwaukee (Police).

The Wisconsin Professional Police Association/Law Enforcement Employee Relations Division, hereinafter referred to as the Association, filed a petition with the Wisconsin Employment Relations Commission to initiate interest arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act with respect to an impasse between it and the Village of West Milwaukee (Police), hereinafter referred to as the Village. The undersigned was appointed as arbitrator to hear and decide the dispute as specified by order of the Wisconsin Employment Relations Commission, dated April 26, 2006. Hearing was held on July 14, 2006, without the services of a court reporter. The parties were afforded full opportunity to present evidence, testimony, and argument. Post-hearing initial and reply briefs were exchanged by October 13, 2006, marking the close of the record.

**PARTIES' FINAL OFFERS**

**1. Health Insurance Premium Contribution:**

**Association Offer:**

**21.01 Hospital and Surgical Insurance**

B) Effective 01-01-06, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less an employee contribution of \$45.00 per month for a single plan and \$105.00 per month for a family plan. Effective 01-01-07, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less an employee contribution of \$50.00 per month for a single plan and \$115.00 per month for a family plan. If an employee elects a plan other than the lowest cost plan, the employee will be responsible for any premium cost in excess of the 105% of the lowest cost plan. The employee shall pay all contributions via payroll deduction.

**Village Offer:**

**21.01 Hospital and Surgical Insurance**

B) Effective 01-01-06, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less an employee contribution of \$45.00 per month for a single plan and \$105.00 per month for a family plan. Effective 01-01-07, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less an employee contribution of 7.5%, not to exceed, \$50.00 per month for a single plan and \$125.00 per month for a family plan. If an employee elects a plan other than the lowest cost plan, the employee will be responsible for any premium cost in excess of the 105% of the lowest cost plan. The employee shall pay all contributions via payroll deduction.

**2. Wages:**

**Association Offer:**

A. The Association proposes that all December, 2005 rates of pay set forth in Appendix A of the 2004-2005 Agreement for each classification be increased by the following rates:

Effective January 1, 2006 2.0%

Effective July 1, 2006 1.0%

B. The Association proposes that all December, 2006 rates of pay set forth in Appendix A of the 2006-2007 Agreement for each classification be increased by the following rates:

Effective January 1, 2007 1.5%

Effective July 1, 2007 1.5%

**Village Offer:**

- A. All December, 2005 rates of pay set forth in Appendix A of the 2004-2005 Agreement for each classification be increased by the following rates:  
Effective January 1, 2006 2.5%
- B. All December, 2006 rates of pay set forth in Appendix A of the 2006-2007 Agreement for each classification be increased by the following rates:  
Effective January 1, 2007 2.0%

**3. Uniform Allowance:**

**Association Offer:**

No change is proposed.

**Village Offer:**

Increase the uniform allowance by \$20.00 in 2006 and \$15.00 in 2007.

**STATUTORY CRITERIA**

The criteria to be utilized by the Arbitrator in rendering the award are set forth in Section 111.77(6), Stats., as follows:

- (6) In reaching a decision the arbitrator shall give weight to the following factors:
  - (a) The lawful authority of the employer.
  - (b) Stipulations of the parties.
  - (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
  - (d) Comparison of the wages, hours and conditions of employment of the employes involved in the arbitration proceeding with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally:
    - 1. In public employment in comparable communities.
    - 2. In private employment in comparable communities.

- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

## **POSITION OF THE ASSOCIATION**

### **A. INITIAL BRIEF**

The Association contends that when Sec. 111.77(6)(a), Stats., is considered, there was no evidence presented by the Village that it did not have the authority to lawfully meet the Association's Final Offer.

The Arbitrator must give weight to the interests and welfare of the public. The Association argues that its Offer best serves those interests because it better maintains the morale and health of its law enforcement officers. The Association notes that those intangibles become more apparent when one realizes these officers work side-by-side officers from other municipalities.

The Association believes that a comparison of the Village's law enforcement officers with like-situated officers of other departments is the most relevant comparison. To adopt the

Village's Final Offer would likely adversely affect the morale because there would be a lower wage increase compared to the other police departments.

There was no evidence on the inability of the Village to meet the costs of the Association's Final Offer, and that factor should therefore not be considered by the Arbitrator.

The Village's Final Offer would change the formulation of how employee participation of health insurance premium expense is calculated. They seek to change the status quo by using a percentage of the premium as the basis for the amount paid by the employees, which would then be limited by a stated dollar amount. Under the Village Offer, effective January 1, 2007, the percentage would be set at 7.5% of 105% of the lowest cost health plan, limited to \$50 per month for a single plan and \$125 per month for a family plan. The Village has offered no information as to the rationale for their proposal. Of the four comparable municipalities, officers in West Milwaukee are already contributing more toward their health insurance costs, which are specifically identified dollar contributions and are substantially higher than three of the four comparables. Only one comparable municipality calculates the employee contribution in the manner proposed by the Village.

The Association has recognized there are increases in health care costs and has reasonably adjusted the employee contribution upward. The Association points out that the lowest cost family plan offered by the Village decreased in cost from 2005 to 2006.

Wages is the second area of dispute. Again, the comparables support the Association's position. The Association crafted its Final Offer to minimize the total cost of the proposed increases by using split increases in each year of the bargaining agreement. In the first year the Association proposed 2% in January and 1% in July. The cost is limited to 2.5% while keeping the year-end wage rates competitive with their counterparts. In 2007 the Association proposed a

1.5% increase in January and a 1.5% increase in July. This lift is consistent with voluntary settlements with two of the four municipalities.

The Association also provided data which shows that none of the compensation categories place the West Milwaukee officers at the lead of the comparables. The Association maintains that the settlements among the comparables are consistent with the Association's Offer, which is a proper measure against inflation. In addition, the Association's Final Offer is closer to the CPI and should be deemed more reasonable.

While both parties have provided information regarding the direct compensation to bargaining unit members and a comparison of the various types of compensation to comparable departments, no benefit elevates any member of the bargaining unit to a position beyond their counterparts such that the Association's Final Offer would be considered unreasonable.

Many arbitrators subscribe to a three-prong test when evaluating a change in language: (1) does the present language give rise to conditions that require a change; (2) does the proposed contract language remedy the condition; and (3) does the proposed language impose an unreasonable burden upon the other party? The Village has failed to provide any notion of what needs are met by their proposed health insurance language change and thus fails to show the reasonableness of its proposal.

While the Village attempts to show it is in dire financial straits, its own exhibits demonstrate that between 2004 and 2005 the tax levy decreased by 1%. New construction has increased by 2.965% from 2004 to 2005, the fourth highest of the twenty municipalities in Milwaukee County. Equalized value has increased 62% from 2000 to 2005. The Village Administrator on cross-examination acknowledged that the increase of 15% in the Village tax base was an excellent record. The exhibits also reflect that the State's imposed levy limits are

expected to have little impact on the Village, due to prudent management and a historical practice of keeping levy growth below the new limitations.

### **B. REPLY BRIEF**

As the Village notes, there are three bargaining units in the Village. Of those three, only one has settled. The Police bargaining unit and the Dispatcher/Clerk bargaining unit are engaged in the arbitration process. One of three units does not constitute an internal settlement pattern. The Village has failed to demonstrate that there has ever been a time that the three units have arrived at the same or similar agreements regarding the appropriate level of overall compensation.

While the level of benefits in the health plan is not in dispute and the benefits are identical in each unit, it is undisputed that the cost sharing by each bargaining unit has been different over the years. For example, the health insurance cost sharing of the DPW bargaining unit has been different than the Police bargaining unit. The DPW bargaining unit has had different cost sharing than either the Police or Clerk/Dispatcher bargaining units.

The Village claims that an increase of 2.5% in the first year and 2% in the second year of the contract should be viewed as competitive to the comparable settlements. While the Village then goes through an elaborate analysis of what they assert is the proper comparison to be made regarding wages, it cannot harmonize the facts with the theory. From 2000 through 2005 a Patrol Officer at the top wage rate in West Milwaukee has averaged twenty-six cents per hour below their comparables. Under the Village Offer the disparity would grow to thirty-five cents per hour in 2006 and would likely double that amount for 2007. Such a result cannot be viewed as reasonable by any objective analysis. The Association's Offer would keep the same relative

ranking. With the split in the Association's Offer, the ranking is maintained while allowing the Village to spend less money.

The Village contradicts itself by asserting the Association's Offer would cost \$30,200.49 for 2006, while in a footnote it acknowledging the real cost is \$25,100.41. The Village also asserts that the cost of both proposals exceeds the "dollars available" under the levy limit. On the same page of its brief the Village then asserts that only the Association's Offer exceeds the levy limit. This attempt to mislead one to equate a point-to-point percentage relationship between wage offers and the percentage increase of the levy limit is a misstatement of fact. That argument should not be given any weight.

In conclusion, the Association believes its Final Offer ought to be considered more reasonable than the Village's Offer, and it should therefore be adopted by the Arbitrator. The Association cites arbitral authority in support of its position.

## **POSITION OF THE VILLAGE**

### **A. INITIAL BRIEF**

The Village argues that internal consistency takes priority over all of the other statutory factors. Arbitrators have long recognized the significance of following internal settlement patterns. That is the best indicator of where the settlement should be for a bargaining unit.

Here, the DPW employees and the non-represented employees of the Village have established the internal settlement pattern. The Village's Final Offer duplicates the settlement pattern with the exception of modifying the health insurance contribution in 2007 and providing an additional 1% in wages in 2007, though the lift is identical at 2%.



DPW employees settled for wage increases of 2.5% on January 1, 2006 and 2.0% July 1, 2007; premium contributions of 7.5% contribution to a maximum of \$50 for the single plan and \$125 for the family plan effective January 1, 2007. Non-represented employees received a 2.5% wage increase and have been paying 7.5% of the premium cost. The DPW settlement and the implementation with the non-represented employees are of paramount importance.

Although the Clerks/Dispatchers bargaining unit has not settled, those employees have voluntarily agreed to pay a 6% health insurance contribution with no cap. Arbitrators recognize that uniform benefits in the area of health insurance are vitally important.

Arbitral authority supports the proposition that the internal settlement pattern carries the most weight. Equity, fairness and employee morale require that, to the extent possible, all employees perceive they are being treated the same as their colleagues. Arbitrators have long recognized the significance of following an internal settlement pattern. Once established, arbitrators rely on it as the best indicator for where the settlement should be for those bargaining units in arbitration. The Association should not use interest arbitration as a tool to break the consistency in benefits of other organized employees.

The Association is seeking preferential treatment with a higher wage rate increase than what has been agreed to by the DPW, provided to the non-represented employees, and offered to the Clerks/Dispatchers. Breaking the settlement pattern would be synonymous with creating major labor disputes. The Association should not benefit from taking its case to arbitration at the expense of the unit that has voluntarily settled.

While the Association simply attempts to obtain terms most advantageous to its members, the Village must be fiscally responsible to its citizens and equitable to other bargaining units. Arbitrators have given great consideration to the issue of harmony. Arbitration is not a

substitute for bargaining and should not be used as a reward for holding out on settling contracts. The Village asserts that preferential treatment to the law enforcement unit as demonstrated by the Association's Offer does not encourage voluntary settlements. Arbitrators have long accepted internal settlements as the most valid comparison, with the greatest weight given to internal settlement patterns as compared to external settlement patterns.

The evidence shows that the parties had reached three tentative agreements. The Association rejected each tentative agreement. The Village notes that the Association's bargaining team had accepted tentative agreements on wages and insurance. Arbitrators have relied on this as a factor in judging the reasonableness of an offer. Arbitrators give some weight to a tentative agreement that has been rejected. The Arbitrator can rely on the tentative agreement reached as further proof of the reasonableness of the Village's position. The Final Offer of the Village reflects the tentative agreement, with the only modification being that the health insurance contribution change for 2006 was dropped.

The Village believes that its wages and benefits compare favorably with the wages and benefits found among the external comparables. Its health insurance premium is similar to the comparables. Most of the comparables are increasing the contribution amounts and at rates greater than the Village seeks in arbitration.

In 2005 the Association voluntarily agreed to pay \$45 for single coverage and \$105 for family coverage. The Village proposes the status quo for 2006, so the employees will continue to pay what they had previously voluntarily agreed to.

Under the Village's proposal, assuming the maximum payment for 2007, the Village loses ground with the external comparables. In 2007, with the cap, the employees may actually pay less for premiums in 2007.

The Village submits that its wage offer is competitive. The Village notes that its law enforcement employees work fewer hours to earn their annual wages than the comparable communities. Under either party's Final Offer the employees maintain their rank at number two based upon a computed hourly wage rate.

The Village urges the Arbitrator to consider the factor of Overall Compensation. Arbitrators have long held that all the fringe benefits, along with the wages, must be considered as a total package. The Village has supported fringe benefits which far exceed those offered by any other municipality. Its benefits are considered "Cadillac" benefits.

West Milwaukee pays its officers a shift differential, while most comparables do not. Two-thirds of the bargaining unit receives the shift differential. In addition, the Village provides a weapon allowance, equating to \$0.15 per hour, which the comparable officers do not receive. West Milwaukee law enforcement employees work fewer hours than comparable communities. They also have additional time off, including vacation, holidays, and personal days. Furthermore, the Village provides 100% paid dental insurance, which is only provided by one other comparable. When "productive" hours are calculated, the West Milwaukee officers receive the highest rate, even when holiday time is not part of the calculation.

Efforts are under way to pass a state constitutional amendment that would restrict public municipalities from raising taxes other than by a prescribed formula. The Final Offer of the Village is therefore in the best interests and welfare of the public.

Currently, the Village can raise their levy by 2%, or the rate of growth from new construction, whichever is greater. In 2006 the limit was 2.956%, which totals \$103,000. All increased costs must come out of that amount. The Village Board cannot fund what they cannot

pay for. In 2007 it will become worse, because it will be limited to the 2% since it will not qualify for the “new construction” boost.

While there has been some improvement in the tax base in the past few years, it does not translate into new tax revenue, because it occurs in TIF districts and will not start generating usable revenue for 10 to 12 years.

Although the Association argues that the bond rating for the Village proves it is not in financial difficulty, the Village contends its bond rating demonstrates it lives within its means and has cut services over the last few years. There are very few places where additional cuts can be implemented.

The Village has had extreme difficulty living within the levy limits and trying to cut costs. Arbitrators have recognized the impact of cost-cutting measures and the impact of health insurance in support of a municipality’s attempt to control costs. The Village further points out that its employee health insurance cost has doubled in the last five years.

The Village presented persuasive evidence that today’s economic conditions require it to manage resources conservatively and the ability to pay is a relevant consideration in this case.

Arbitrators have upheld moderation in spending when municipalities have been subject to financial difficulties. Arbitrators have also recognized that municipal employers need to consider alternatives which allow for increased revenues and decreased expenditures. The economic climate in West Milwaukee demands Village spending restraints. The Association’s Final Offer discounts all economic concerns in its quest for more wages and benefits.

Of the comparable communities, the Village has the least ability to pay the increases sought by the Association. West Milwaukee citizens have the highest effective tax rate. The citizens have the lowest 2004 average home sale price but the highest tax bill. The Police

Services budget for the Village as a percentage of operating and capital expenditures is the highest of the comparables. Per capita spending for the Village is almost double that of the comparable municipalities. The Village must clearly curtail spending, but the Association's Offer does nothing to achieve that goal.

Even if the Village could raise revenues above the levy limits, there is no viable argument that it is in the interests and welfare of the citizens of the community to continue to carry the highest tax burden in southeastern Wisconsin. The Final Offer of the Village has an element of cost control in it.

For 2006 the total cost of health insurance for this unit will be approximately \$14,000 on average, or approximately 1.75% of wages, each year. The Village anticipates at least a 12% increase for 2007. The Village's Final Offer is 9.06% over the two-year contract, while the Association's Final Offer is 11.09%. Given the levy limit, both proposals exceed the available dollars.

### **B. REPLY BRIEF**

The Arbitrator should reject the Association's argument of the intangible benefits of morale and unit pride. The Village responds that the morale of all of its employees is important. However, adopting the Association position would adversely affect the DPW employees' morale. The DPW employees are required to be on call 24/7. The Village also notes that its Offer for the Dispatchers is identical to the Police unit. All of the Village employees are expected to perform their duties in a professional manner. The Association seems to argue that they should receive more because they work harder or their work is more important. That is not the case, however.

While the Association argues that the Village will be unable to retain or recruit qualified Officers, it submitted no evidence to support that claim. In fact, the Village has had no difficulty in recruiting and maintaining qualified officers.

The Association makes no argument to counter the Village's evidence that the revenue limits its ability to meet the Association's Offer. Nevertheless, the Village's Offer would exceed its revenue cap.

While the Association contends the Village has presented no information as to the rationale for its proposal, the Village submitted evidence which reflects that the non-represented employees and the two internal bargaining units all have insurance contributions based on a percentage of premium. The non-represented employees and the Dispatchers pay a percentage with no cap and the DPW employees pay a percentage with a cap. The internal comparables are the best evidence of the appropriate Final Offer.

The Association's argument that splits are less costly is simply an attempt to "hide" its wage proposals. The truth is that they are proposing 3% increases in each of the two years of the contract. The Association's brief does not address the evidence on revenue caps and reduced shared revenue. The Association focuses only on wages for external comparables because it suits their argument, ignoring that they work fewer hours and receive more benefits than the comparable communities.

In conclusion, the Village's Final Offer must be viewed as a total package. The Village has carefully crafted its Final Offer; all the issues are inexorably linked. Given that the DPW bargaining unit has accepted the same deal, the Village's Final Offer is more reasonable. The Village is concerned that if the Association's Final Offer is accepted, in the future the Village will have difficulty bargaining with all of its other bargaining units. The Village believes that it

has offered a fair wage proposal along with a change in health insurance contributions which will result in a moderate increase, if any, in health insurance premium contributions. For the foregoing reasons, the Village's Final Offer emerges as more reasonable when measured against the statutory criteria. The Village cites arbitral authority in support of its position.

## ANALYSIS

### EXTERNAL COMPARABLES

#### A. WAGES

The following table summarizes the wage increases since 2000 for the external comparables:

<b>PERCENTAGE WAGE INCREASES FOR EXTERNAL COMPARABLES</b>									
<b>Comparable</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Cudahy	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Greenfield	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
St. Francis	2.99%	3.25%	3.15%	3.50%	3.10%	2.90%	2.90%	2.90%	
South Milw.	3.50%	3.00%	3.25%	3.75%	3.75%	4.00%	3.00%		
Average	3.12%	3.06%	3.10%	3.31%	3.21%	3.23%	2.98%	2.95%	3.00%
West Milwaukee	3.00%	3.00%	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	
							(Assoc. Offer)	(Assoc. Offer)	
							2.50%	2.00%	
							(Village. Offer)	(Assoc. Offer)	

In 2006 the wage increases for the external comparables averaged 2.98%. The Association's Final Offer of a 3% across-the-board wage lift (at a cost of 2.5%) for 2006 is closer to the external comparables than the Village Final Offer of 2.5%. For 2007 the wage increases for the external comparables averaged 2.95%. The Association's Final Offer of a 3% across-the-board wage lift (at a cost of 2.25%) for 2007 is also closer than the Village's Final Offer of 2.0%.

The Village contends, however, that its Law Enforcement employees work fewer hours per year with better benefits than the law enforcement employees of the external comparables.

While that may be true, the above table reflects that, historically, the Village Police bargaining unit has closely paralleled the wage settlements of the external comparables when there were similar hours worked and benefit comparisons. The record does not reflect that the Village law enforcement employees have recently begun working fewer hours or receiving better benefits than its comparables. In other words, such a contention does not stand out as a basis for supporting the Village's Final Offer for the 2006-2007 collective bargaining agreement.

The external comparables more closely support the Association's Final Offer.

### **B. HEALTH INSURANCE PREMIUM CONTRIBUTION**

The following table summarizes the external comparables' premium contributions:

<b>EXTERNAL COMPARABLES HEALTH INSURANCE PREMIUM CONTRIBUTIONS</b>			
<b>MUNICIPALITY</b>	<b>CARRIER</b>	<b>EMPLOYER PORTION</b>	<b>Employee Portion</b>
<b>CUDAHY</b>	State Health Plan	City pays 100% of premium for lowest cost qualified plan.	Employee pays balance, if any, depending upon plan chosen.
<b>GREENFIELD</b>	Blue Cross	City pays balance of premium after employee's contribution.	Employee pays 5% of monthly premium capped at \$40/single and \$75/family. Effective 1/1/08, employee pays 6% of premium at \$53/single and \$100/family.
<b>ST. FRANCIS</b>	Comp Care	City pays balance of premium after employee's contribution.	Employee pays \$30/single and \$60/family.
<b>SOUTH MILWAUKEE</b>	State Health Plan	City pays 100% of premium for lowest cost qualified plan, less employee contribution.	Employee pays \$35/single and \$70/family plus balance, if any, after employer payment of 100% of lowest cost qualified plan.
<b>WEST MILWAUKEE</b>	State Health Plan	<u>Status Quo:</u>  Village pays 105% of premium for lowest cost plan less employee contribution	<u>Status Quo:</u>  Employee pays \$45/single and \$105/family plus balance, if any, after employer payment of 105% of lowest cost qualified plan

Three of the external comparables have flat dollar contributions by employees toward the monthly health insurance premium, while one, Greenfield, uses a percentage capped employee contribution. The external comparables thus generally support the Association's Final Offer,



especially given the Village's proposal to include an employee percentage contribution toward the premiums.

### **C. UNIFORM ALLOWANCE**

The Village proposes increasing the Uniform Allowance by \$20 in 2006 to \$510 and an additional increase of \$15 in 2007 to \$525. The Association does not propose any change in the Uniform Allowance. Cudahy has a \$400 Uniform Allowance, while Greenfield, St. Francis, and South Milwaukee each have a \$500 Uniform Allowance. The status quo is very close to most of the external comparables. No clear rationale has been provided as to why an increase in the Uniform Allowance is necessary. Consequently, this issue favors the Association's Final Offer to continue with the status quo with the Uniform Allowance.

### **INTERNAL COMPARABLES**

The Village has three bargaining units and the non-represented employee group of employees. The 2006-2007 wage increases, health insurance, and uniform allowance for those employees may be summarized in the following table:

<b>INTERNAL COMPARABLES</b>			
<b>BARGAINING UNIT</b>	<b>WAGES</b>	<b>HEALTH INSURANCE</b>	<b>UNIFORM ALLOWANCE</b>
<b>DPW</b>	1/1/06 2.5% 7/1/07 2.0%	Effective 1/1/07, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less employee contribution; employee pays 7.5% of premium, not to exceed \$50/single and \$125/family plus balance, if any, after employer payment.	Effective 1/1/06, increase clothing allowance to \$250  Effective 1/1/07, increase clothing allowance to \$265.
<b>Clerks/Dispatchers</b>	Village Final Offer: 1/1/06 2.5% 7/1/07 2.0%	Village Final Offer:  Effective 1/1/07, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less employee contribution; employee pays 7.5% of premium, not to exceed \$50/single and \$125/family plus balance, if any, after employer payment.	Village Final Offer:  Increase uniform allowance by \$20 in 2006 and \$15 in 2007.

<b>Non-Represented Employees</b>	1/1/06 2.0%	Effective 1/1/07, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less employee contribution; employee pays 7.5% of premium, not to exceed \$50/single and \$125/family plus balance, if any, after employer payment.	N/A
<b>FINAL OFFERS – LAW ENFORCEMENT</b>			
<b>Association Final Offer:</b>	1/1/06 2.0%	Effective 01-01-06, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less an employee contribution of \$45.00 per month for a single plan and \$105.00 per month for a family plan.	
	7/1/06 1.0%		
	1/1/07 1.5%	Effective 01-01-07, the Employer will pay an amount toward the premium cost of 105% of the premium of the lowest cost plan, less an employee contribution of \$50.00 per month for a single plan and \$115.00 per month for a family plan. If an employee elects a plan other than the lowest cost plan, the employee will be responsible for any premium cost in excess of the 105% of the lowest cost plan.	
	7/1/07 1.5%		
<b>Village Final Offer:</b>	1/1/06 2.5%	Same as the Association's Final Offer.	Increase by \$20.00
	1/1/07 2.0%	Same Clerks/Dispatchers Final Offer.	Increase by \$15.00.

As the table reflects, the DPW bargaining unit has settled their 2006-2007 labor agreement. That settlement mirrors the Village's Final Offer for the health insurance premium payment and across-the-board percentage wage increases. The non-represented employees are paying toward the health insurance premiums in a similar fashion.

The Village vigorously argues that an internal settlement pattern has been set for health insurance premium payments and wage increases and that it is imperative that this bargaining unit follow that pattern. The undersigned agrees that it is important that an internal settlement pattern be respected, unless a compelling, unique circumstance can be demonstrated. A single, rogue bargaining unit should not be rewarded when a clear internal pattern has been established.

The question remains, though, whether a clear pattern has developed. Of the three bargaining units, only one has settled. For the non-represented employee group, the wage increase for 2006 and the employees' contribution toward the premium have been unilaterally imposed. Two of the three represented groups of employees have not yet settled. The Police bargaining unit is not holding out as a lone, rogue unit. Under the circumstances presented here, one must conclude that no pattern has developed at the present time.

Moreover, the following reflects that employees of the different departments in the Village have not recently contributed the same amount toward the health insurance premiums:

<b>WEST MILWAUKEE HEALTH INSURANCE EMPLOYEE CONTRIBUTIONS</b>		
	<b>2005</b>	<b>2006</b>
<b>Police</b>		
<b>Single</b>	\$45.00	\$45.00
<b>Family</b>	\$105.00	\$105.00
<b>DPW (Settled)</b>		
<b>Single</b>	\$28.78	\$33.30
<b>Family</b>	\$70.84	\$83.02
<b>Clerks/Dispatchers (In Arbitration)</b>		
<b>Single</b>	\$28.78	\$33.30
<b>Family</b>	\$70.84	\$83.02
<b>Non-represented (Implemented)</b>		
<b>Single</b>	\$37.77	\$41.62
<b>Family</b>	\$92.97	\$103.78

With only one negotiated settlement, the internal comparables do not significantly favor either party's Final Offer.

### **FINANCIAL CONDITION OF THE VILLAGE**

The Village contends that it is under very tight economic constraints and it points in part to the levy limit. The evidence reflects that the Village has limited economic freedom, but many municipalities throughout the State are facing generally similar constraints. Over the last few years the finances of the Village have improved and are expected to improve further. The

undersigned does not find the financial condition of the Village to particularly favor either party's Final Offer.

### **CONCLUSION**

It is significant that in 2005 the Association voluntarily agreed to a monthly employee contribution of \$45 for single coverage and \$105 for family coverage toward the monthly health insurance premium. However, the Village now proposes a substantial structural change by including a percentage employee contribution toward the monthly premium beginning in 2006, without offering a quid pro quo. In fact, the Village's across-the-board Wage Offer of 2.5% for 2006 and 2.0% for 2007 is below the average for the external comparables. While the Village has settled with the DPW on terms similar to its Final Offer here and reached tentative agreements with this bargaining unit on similar terms that were rejected, the Association's Final Offer more closely parallels the external comparable settlements without significantly changing the status quo. On balance, the Association's Final Offer is more reasonable and shall be adopted here.

### **AWARD**

The Final Offer of the Association is to be incorporated into the 2006-2007 two-year collective bargaining agreement between the parties, along with those provisions agreed upon during their negotiations, as well as those provisions in their expired agreement which they agreed were to remain unchanged.

Dated in Madison, Wisconsin, on November 14, 2006, by

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Andrew M. Roberts