
 *
 In the Matter of the Petition of *
 *
 New Berlin Professional Policemen's *
 Association, Inc. *
 *
 For Final and Binding Arbitration *
 Involving Law Enforcement Personnel *
 in the Employ of *
 *
 City of New Berlin *
 *

Case XVII
 No. 18766 MIA-150
 Decision No. 13316-A

Appearances: Robert P. Mendyk, Chairman, Bargaining Committee, and Roger J. Wiedmeyer, President, for the Association

Tom E. Hayes, Attorney at Law, for the City

On February 13, 1975 the undersigned was appointed arbitrator by the Wisconsin Employment Relations Commission to make a final and binding determination of an impasse between the New Berlin Professional Policemen's Association, Inc., hereinafter referred to as the Association, and City of New Berlin, hereinafter referred to as the City. Under Section 111.77(4)(b) Wis. Stats., the arbitrator is required to choose between the last final offers submitted by the parties.

A hearing was held on March 25, 1975, at New Berlin, Wisconsin. No transcript of the proceedings was made. Both parties had full opportunity to offer evidence and testimony and make arguments. Neither party elected to file a post-hearing brief and the record was thus completed at the close of the hearing.

The final offers of the parties were those submitted to the Wisconsin Employment Relations Commission prior to the appointment of the arbitrator. Neither side amended its offer after the arbitrator was appointed.

The Union's final offer and the Employer's final offer (in the form of two alternative offers from which, according to the City, the Association can indicate the one it prefers) are quoted in full below.

Association:

With respect to salary increase the salary schedule below reflects the Association's last and final offer regarding 1975 salary increases which is 12% for patrolman, approximately 15% for corporal, and 14% for sergeants and detectives, retroactive to January 1, 1975. Not included in this schedule is \$7.00 per month to be incorporated into base salary at all steps by virtue of elimination of proficiency pay, as agreed to by parties.

<u>Classification</u>	<u>Annual</u>	<u>Bi-Weekly</u>
<u>Patrolmen</u>		
Beginning	11,035.90	424.46
After 6 months	11,721.38	450.82
After 12 months	12,288.35	472.63
After 24 months	12,855.61	494.45
After 36 months	13,422.86	516.26
<u>Corporals</u>	14,000.00	538.46
<u>Sergeants and Detectives</u>		
Beginning	14,124.31	543.24
After 18 months	14,485.07	557.12
After 36 months	14,846.08	571.00

The salary schedule below reflects the Association's last and final offer regarding 1976 salary increase which is 8% for all ranks and pay grades. These figures are computed on the basis of the preceding salary schedule, plus the \$7.00 per month proficiency pay incorporation, and are exactly as would be reflected in the 1976 contract.

<u>Classification</u>	<u>Annual</u>	<u>Bi-Weekly</u>
<u>Patrolmen</u>		
Beginning	11,926.33	458.71
After 6 months	12,666.65	487.18
After 12 months	13,278.98	510.73
After 24 months	13,891.62	534.29
After 36 months	14,504.25	557.86
<u>Corporals</u>	15,127.56	581.83
<u>Sergeants and Detectives</u>		
Beginning	15,261.81	586.99
After 18 months	15,651.44	601.98
After 36 months	16,041.33	616.97

The Association's last and final offer on the issue of health and hospitalization is as follows:

The City shall provide Blue-Cross and Blue-Shield hospitalization, Series 2000 Hospitalization and Surgical Care Insurance, with 365 days of hospitalization, \$200.00 outpatient and diagnostic, X-ray and laboratory coverage, a \$1,000.00 maximum surgical benefit, a \$100.00 obstetric benefit, and \$100.00 deductible - 80% co-insurance major medical coverage to a maximum of \$25,000.00, and shall pay the premium established therefore for family coverage.

City:

ALTERNATE I

1. As to the term of the Agreement.

Two Years.

2. As to the salary increase.

For 1975 - 10.2%, including conversion of proficiency pay into base salary at \$7.00 a month

For 1976 - 8%

3. As to the payment of the premium for hospitalization and surgical care insurance.

With City to pay a maximum of \$53.52 an employee a month towards the cost of family coverage for hospitalization and surgical care.

ALTERNATE II

1. As to the Term of the Agreement.

Two years.

2. As to the salary increase.

For 1975:

For Patrolmen	13.2%
For Corporal and Sergeant	14.2%

Conditional, however, upon employees paying three per cent of the entire employee's share of contributions to the Wisconsin pension fund.

For 1976:

For all Employees - 10-1/2%

Conditional upon employees paying all of the employee's share of pension contributions.

With the City for both years to pay the entire premium for hospitalization and surgical care.

There is no dispute with regard to the term of the agreement. The offers of both parties are for a two year contract.

The City's alternative offers include provision that the employees pay a larger share of certain benefits than they now pay. Alternative I places a dollar limit on the City's payment of health insurance premiums of \$53.52. That dollar amount is the family plan premium that existed in 1974. The current premium is \$57.90 and thus Alternative I requires employees to pay \$4.38 of the cost of the family plan. Since 1966 and until this year the City has paid the entire cost of health insurance premiums for the employees in the bargaining unit, and the City continues to pay the full cost of health insurance for its other non-supervisory employees outside of the police department.

City Alternative II provides full payment of health insurance premiums by the City. Thus there are no principles involved here from the City's standpoint concerning health insurance premiums per se. The City's rationale is based on limiting the economic costs of the offers and leaves the choice of which is the preferable allocation to the Association.

Alternative Offer II requires employees to increase their payment of their share of pension costs beyond what they now pay. In the second year they would be required to pay their entire share of pension costs. No rationale is offered by the City for that position other than limiting the size of the economic package. Since Alternative II offers higher salaries than Alternative I, there is a corresponding reduction in benefits.

The arbitrator does not view the non-salary aspects of either City alternative offer as desirable. In the arbitrator's view the employees should not have to make choices reducing the attractiveness of fringe benefits without a showing by the City that such steps are necessary. The City has not made such showing in this case. Thus in the fringe benefit area the Association's proposal is more reasonable. However, the arbitrator is not empowered to rule on the issues separately and must consider the total package, including the salary offers.

The Association submitted Exhibit A showing 1974 maximum base salaries for patrolmen, corporals and sergeants in police departments in 22 suburban Milwaukee communities. For patrolmen, New Berlin police ranked 21st of 22. The New Berlin salary (monthly) for patrolmen was \$998.00. The median salary for the 22 communities was \$1027.75.

The City contends that only five of these communities are comparable to New Berlin, namely, Muskego, Franklin, Greenfield, Brookfield and Mequon.

The arbitrator analyzed Association Exhibit A using only the communities viewed as comparable by the City. The five had a median patrolman's salary of \$1021 and an average of \$1028, and ranged from \$998 to \$1054. Thus New Berlin's patrolman salary in 1974 at \$998 was approximately 3% below the average, and approximately 2.3% below the median, of the City's comparison communities.

An identical analysis was done for sergeants. (There was also an analysis for corporals; however, so few of the cities have corporals on their police forces that the analysis is not meaningful, in the arbitrator's view.) The New Berlin sergeant monthly salary was \$1085.23 in 1974. The median for the 18 communities for which information was given was \$1128. The average was \$1131. New Berlin's sergeant salary was ranked 18th of the 18. Association Exhibit A shows sergeants rates for 3 of the 5 comparison communities used by the City. They are \$1191.48, \$1120 and \$1108.50. The City's \$1085.23 is approximately 3.2% below the median of these figures and 5.0% below the average. It is also 4.2% below the average and 3.9% below the median for sergeants among the 18 communities for which rates were given.

Thus for patrolman and sergeant ranks an increase of at least 3% above the normal salary increase in 1975 would be necessary to bring New Berlin employees closer to the average to median communities, using either the Association's or the City's comparison communities.

There are of course factors other than past salary comparisons which are relevant to this determination. The Association introduced Exhibit C showing 1975 salary increases thus far in 13 of the communities. At the hearing the City elicited information from the Association about the percentage increases which the 1975 salaries represented over 1974. One increase was greater than 11%; three communities increased salaries between 10 and 11%; six communities were between 9 and 10%, of which five were precisely 9%; one was 8.9% and one was 6.0%. Four of the figures were from communities which were on the Employer's list of five comparison communities. Those raises were 6.0%, 9.0%, 9.0% and 9.0%. It thus seems clear that the comparable communities generally gave raises of 9.0% over 1974, with few exceptions.

Thus a 9.0% increase would be justifiable without consideration of any adjustments to bring salaries up to more comparable levels. Factoring in the 3.0% by which patrolmen were below comparable communities in 1974 would justify a 12.0% increase.

The City, in Exhibits #12 through #18, presented an analysis of its salary offer. As the City views compensation, it is only appropriate that the total economic package be considered, and the City thus combines salary, longevity payments, educational incentives, and proficiency pay.

The City made these comparisons with Brookfield, Franklin, Menomonee Falls, Mequon and Muskego. As indicated earlier, the City's other exhibits utilized Greenfield, not Menomonee Falls, in the comparisons. The comparisons are based on an analysis in which the New Berlin "average patrolman" i.e. a hypothetical patrolman who has "average longevity" in the department and "average education" in the department, is placed on the salary schedule in the comparison communities and the resulting figures are then used for comparison purposes. The result is what the New Berlin policeman receives compared to what the "average" New Berlin policeman would get if he worked in one of the other departments.

Using this analysis City Exhibit #12 demonstrates that the average total package for patrolmen in these communities in 1974 is \$12,577.80, and New Berlin's figure is \$12,546. City Exhibit #14 is a similar analysis for sergeants where the average in the comparison communities is \$13,870.45, while the New Berlin figure is \$13,584.

The arbitrator made these same calculations eliminating the educational pay and proficiency pay from the analysis because he shares the Association's view that

inclusion of those figures in the comparison is not appropriate.* For patrolmen the comparison communities average \$12,398. New Berlin's figure is \$12,034.68 or approximately 3.0% less. Also, the arbitrator notes the Association's argument that the "average New Berlin patrolman" averages 4.7 years of service, and at 5.0 years several of the comparison communities would provide additional longevity payments, which would further raise the comparison figures.

Doing the same analysis for sergeants produces an average for the comparison communities of \$13,690 and a figure for New Berlin sergeants of \$13,072, or 4.7% lower.

Thus, whether the Association's analysis and comparisons are used, or the City's analysis (using only salary and longevity elements) and comparisons are used, the results are similar, i.e. an adjustment of 3.0% or more is needed to bring New Berlin's policemen up to levels approaching the median salaries paid in comparison communities.

The Association also introduced statistics on the cost of living showing that BLS statistics for the Milwaukee area indicate a 10.5% increase in cost of living 1974.

Both parties introduced evidence designed to demonstrate the City's financial condition. Association's Exhibit F compared New Berlin with 20 other Milwaukee suburbs showing the actual tax on a \$30,000 home. New Berlin ranked 19th of 21 with a tax of \$631.42. The median figure was \$707.64. The City pointed out that Exhibit F does not address the level of services provided for the tax dollar and pointed out also that while New Berlin's taxes are relatively low, its municipal services are, too, because the citizens want to keep it that way.

The Association contends that its offer differs from the City's by about \$20,000 which it says is a difference of approximately 10 cents per \$1,000 of assessed valuation.

Association's Exhibit G is a page of the incumbent Mayor's campaign literature showing among other things that the City's non-tax income rose from less than \$82,000 in 1972 to over \$300,000 in 1974.

The City in Exhibit #9 indicates that its offer continues the upward trend of the amount of assessed valuation going into the police budget. In 1975 \$1.02 per \$1,000 assessed valuation goes toward the police budget compared to \$.93 in 1974. The percentage of the tax levy going to the police budget is reduced, however, to 19.46% from 21.27% in 1974.

The arbitrator has concluded from these exhibits that the City's ability to finance the Association's offer is not in doubt and therefore is not at issue in this case. However, that conclusion is not determinative of the question of whether or not the Association's offer should be implemented.

The City introduced exhibits which, among other things, demonstrate the relative youth of the police force both in age and length of service, the low turnover in the department and that there were 101 applicants (of whom 4 were deemed eligible) for one vacancy in 1974. The City also notes the increase in unemployment in the Milwaukee area in 1975 contrasted with 1974, and introduced additional statistical data about New Berlin and other suburban Milwaukee communities. The arbitrator has carefully considered these factors and all of the exhibits introduced by both parties.

*Proficiency pay and educational incentives are benefits which the City has viewed as important enough to create as separate benefits to strengthen the quality of its police force. For example, City Exhibit #24, the resolution creating the educational incentive program, states in part: "Whereas, police work is becoming a speciality to the extent that it is in the best interest of the City of New Berlin to provide and make available to police officers of the City the opportunity of obtaining higher education in the police field; and, Whereas it is the intention of the City of New Berlin to provide for such educational program and provide additional compensation to police officers who obtain such higher education in police work . . ."

This is laudable and undoubtedly serves to benefit both the City and its policemen, but the arbitrator feels that the program should not be weighed in the balance where the effect is to hold down the level of salaries.

Conclusion

The arbitrator has concluded that neither the City's salary offer nor the Association's salary offer is unreasonable. The City's salary offer keeps pace with the 1975 increases being given by comparable communities to their police and falls just short of keeping up with the increased cost of living. The Association's salary offer in addition provides an adjustment which brings the salaries of New Berlin policemen closer to the median of the salaries paid in comparison communities, while at the same time advancing slightly more than the increase in the cost of living which occurred during 1974.

The arbitrator has concluded that viewed as a total package, as must be done in final-offer arbitration, the Association's offer is more reasonable and appropriate than the City's. As stated earlier this is primarily because of what the arbitrator views as the undesirable aspects of the City's treatment of fringe benefits in its alternative offers. Thus the arbitrator hereby makes the following AWARD

The City is hereby ordered to implement the Association's final offer:

With respect to salary increase the salary schedule below reflects the Association's last and final offer regarding 1975 salary increase which is 12% for patrolman, approximately 15% for corporal, and 14% for sergeants and detectives, retroactive to January 1, 1975. Not included in this schedule is \$7.00 per month to be incorporated into base salary at all steps by virtue of elimination of proficiency pay, as agreed to by parties.

<u>Classification</u>	<u>Annual</u>	<u>Bi-Weekly</u>
<u>Patrolmen</u>		
Beginning	11,035.90	424.46
After 6 months	11,721.38	450.82
After 12 months	12,288.35	472.63
After 24 months	12,855.61	494.45
After 36 months	13,422.86	516.26
<u>Corporals</u>		
	14,000.00	538.46
<u>Sergeants and Detectives</u>		
Beginning	14,124.31	543.24
After 18 months	14,485.07	557.12
After 36 months	14,846.08	571.00

The salary schedule below reflects the Association's last and final offer regarding 1976 salary increase which is 8% for all ranks and pay grades. These figures are computed on the basis of the preceding salary schedule, plus the \$7.00 per month proficiency pay incorporation, and are exactly as would be reflected in the 1976 contract.

<u>Classification</u>	<u>Annual</u>	<u>Bi-Weekly</u>
<u>Patrolmen</u>		
Beginning	11,926.33	458.71
After 6 months	12,666.65	487.18
After 12 months	13,278.98	510.73
After 24 months	13,891.62	534.29
After 36 months	14,504.25	557.86
<u>Corporals</u>		
	15,127.56	581.83
<u>Sergeants and Detectives</u>		
Beginning	15,261.81	586.99
After 18 months	15,651.44	601.98
After 36 months	16,041.33	616.97

The Association's last and final offer on the issue of health and hospitalization is as follows:

The City shall provide Blue-Cross and Blue-Shield hospitalization, Series 2000 Hospitalization and Surgical Care Insurance, with 365 days of hospitalization, \$200.00 outpatient and diagnostic, X-ray and laboratory coverage, a \$1,000.00 maximum surgical benefit, a \$100.00 obstetric benefit, and \$100.00 deductible - 80% co-insurance major medical coverage to a maximum of \$25,000.00, and shall pay the premium established therefore for family coverage.

Dated at Madison, Wisconsin this 23rd day of April, 1975.

Edward B. Krinsky /s/
Edward B. Krinsky, Arbitrator