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IN THE MATTER OF THE ARBITRATION BETWEEN

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

WISCONSIN PROFESSIONAL)	WISCONSIN EMPLOYMENT
POLICE ASSOCIATION,)	RELATIONS COMMISSION
LOCAL 27,)	CASE LXII NO. 30952-
)	MIA-728
)	Decision No. 20535-A
Union,)	
)	
and)	
)	
THE CITY OF SUPERIOR,)	DECISION AND AWARD
)	OF
Employer.)	ARBITRATOR

APPEARANCES

For the Union:

Charles C. Deneweth
 Representative
 Wisconsin Professional
 Police Association
 Local 27
 720 Ninth Avenue East
 Superior, WI 54880

For the Employer:

William R. Sample
 Representative
 Industrial Relations Council
 2001 London Road
 Duluth, MN 55812

On June 28, 1983, in Superior, Wisconsin, a hearing was held before Thomas P. Gallagher, Arbitrator, under the authority of Wisconsin Statutes, Section 111.77, a provision of the Municipal Employment Relations Act, as amended, to determine issues certified by the Wisconsin Employment Relations Commission to be at impasse between the parties. The parties submitted post-hearing briefs, which were received by August 3, 1983. On September 23, 1983, the Employer submitted additional evidence and argument under the authority of Wisconsin Statutes, Section 111.77 (6) (g).

This matter was submitted to me under Wisconsin Statutes, Section 111.77 (4) (b), which requires that the arbitrator appointed by the Commission "shall select the final offer of one of the parties and shall issue an award incorporating that offer without modification."

I note that in all of my deliberations, I have considered and given weight to the following factors:

1. The lawful authority of the Employer.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the Employer to meet its costs.
4. Comparison of the wages, hours and conditions of employment of the employees involved in this proceeding with the wages, hours and conditions of employment of other employees performing similar services and with the wages, hours and conditions of employment of other employees generally, in public and private employment in comparable communities.

5. The average consumer prices for goods and services.
6. The overall compensation presently received by the employees involved in this proceeding, including wages, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
7. Changes in any of the foregoing circumstances during the pendency of this proceeding.
8. Such other factors that 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 in public service or in private employment.

Final Offer of the Union.

The final offer of the Union, as set out in the appendix to the Notice of Close of Investigation and Advice to Commission of the Investigator appointed by the Commission in this matter, which notice is dated April 6, 1983, is set out below without modification:

1. Effective with the date of January 1, 1983, there shall be added to all ranks within this bargaining unit, the sum of 5% in addition to the current salaries now identified to each rank in Appendix A of our present 1982-83 Agreement.
2. That in addition thereto, effective with the date of January 1, 1983 Article 18, Insurance, shall be changed to read -
 - (a) At the rate of 95% per month toward the cost of the family plan, and,
 - (b) At the rate of 100% per month toward the cost of the single plan.

Final Offer of the Employer.

The final offer of the Employer, as set out in the appendix to the Notice of Close of Investigation and Advice to Commission of the Investigator appointed by the Commission in this matter, which notice is dated April 6, 1983, is set out below without modification:

Wages: \$38.00 per month increase to all employees in bargaining unit effective 1/1/83.

Health Insurance: \$14.50 per month increase in the City's family health insurance contribution, increasing the contribution to \$132.50 per month.

Decision.

The current labor agreement between the parties is a two-year agreement, effective from January 1, 1982, through December 31, 1983. Appendix A to the agreement establishes the monthly wages payable during 1982 to employees in the several classifications listed in the appendix, but leaves the wages unspecified for 1983. Article 4 of the agreement permits the subject of wages for 1983 to be reopened.

Similarly, Article 18 provides that during 1982 the Employer is to pay \$55.00 per month per employee toward the cost of hospital and surgical insurance for those selecting single coverage and \$118.00 per month per employee toward the cost of such insurance for those selecting family coverage, but the article provides that the amount of the Employer's contribution during 1983 shall be open for negotiation under the reopening provisions of Article 4 of the agreement. Thus, in this proceeding, only the subjects of wages and of the Employer's contribution to the cost of health insurance have been bargained over, and they have been so because the Union has reopened bargaining on those subjects.

The difference in cost between the proposal of the Employer and the proposal of the Union with respect to health insurance is small. According to the Union, there are twelve members of the bargaining unit who have single coverage and forty-one who have family coverage. The cost per employee for the insurance year beginning December 1, 1982, is \$49.78 per month for single coverage and 141.80 per month for family coverage. Thus, both the Union's proposal that the Employer's contribution be 100% of the cost of single coverage and the Employer's proposal that the \$55.00 per month cap be continued result in full payment of the premium for single coverage. The Union's proposal that the Employer contribute 95% of the cost of family coverage would result in a payment of \$134.71 per month by the Employer and \$7.09 per month by each employee selecting that coverage. The Employer proposes that the cap on its payment for family coverage be increased to \$132.50 per month. The difference -- \$2.21 per month for the forty-one employees selecting family coverage -- totals \$1,087.32 for the year. Nevertheless, the Employer opposes the Union's position on insurance strongly, because it would introduce language that defines the amount of the Employer's contribution by percentages.

The difference in cost between the proposal of the Employer and the proposal of the Union with respect to wages is more. The Employer's across-the-board increase of \$38.00 per month to the fifty-three members of the bargaining unit would cost \$24,168 for the year. The Union's proposed increase of 5% would, according to the calculations of the Employer, increase the cost of wages by \$51,813. (The Union estimates that the increase would be slightly less.) The difference in cost between the two wage proposals is \$27,645, and the total difference in cost between the two final offers is \$28,732.

The parties make slightly different calculations of the percentage of increased cost of the two final offers. The Union estimates the cost of its final offer at an additional 5.43% of the 1982 costs, and it estimates the cost of the Employer's final offer at an additional 2.84% of such cost. The Employer estimates the increase in cost of the Union's final offer at 5.83% and, of its final offer at 3.07%.

Notwithstanding the change in the form of the insurance language proposed by the Union, the proposals of the parties as to wages must exert the greatest influence on my decision as to which of their final offers I select. Although I have, of course, considered the differences between the parties on both matters, the economic consequence of the wage issue will tend to override the issue of what the health insurance contribution should be.

Much of the evidence and argument produced by both parties at the hearing and in their post-hearing presentations concerned the finances of the City. From this evidence, I find

that, as the Union sought to show, the financial condition of the City is improving, and, as the Employer sought to show, the City is attempting to add gradually to its reserves in an effort toward good financial planning. The good financial condition of a public employer is never a ground for increasing compensation of public employees more than would otherwise be justified by relevant economic circumstances. Poor financial condition may be a basis for limiting such compensation. In the present case, I conclude from the evidence that the financial condition of the City is not in such a condition that it must override what I consider to be the most important consideration in this case -- the wages paid and the adjustments made in wages paid in comparable employment, i.e., to law enforcement personnel in comparable communities, and to other employees in this community.

The parties also produced much data with respect to an argument made by the Union -- that the increase in the wages of its members since 1977 has lagged the increase in the cost of living. The Employer sought to show that the Union used some pay rates from 1978, rather than those at the end of 1977, to make this argument and thus that the base used was distorted. With respect to this argument, I agree with the Employer; it appears that the increase in wages that these employees have received during the period in question has been roughly equal to the increase in the cost of living.

As I have said, what I consider to be the most important consideration in this case is the evidence of what other employees in the community receive and of what other law enforcement personnel in comparable communities receive. On the basis of that evidence, I select the final offer of the Union.

Both parties have offered evidence concerning the wages paid to law enforcement personnel in other communities. The Union charges that the Employer has made inappropriate comparisons because some of the comparisons offered are to County deputy sheriffs and to police in small communities. The Employer charges that the Union has made inappropriate comparisons because some of the comparisons offered are to police in large communities or to those in communities suburban to large metropolitan areas. I have not adopted either set of comparisons as a whole. Instead, I have examined the data submitted by both parties, and, in reaching my decision, I have used some of the data from each set of comparisons, rejecting that which the parties have both correctly pointed out is not germane.

The Union argues that during 1982 the average monthly salary of the firefighters employed by the City exceeded the average paid to the police by about \$21 per month. The Employer points out that part of that difference was offset by a payment of \$8 more per month by the Employer toward family health insurance coverage. The firefighters have not yet agreed with the City on the amount of their wages for 1983.

Other bargaining units in the community have reached a settlement, either voluntarily or after arbitration. The Douglas County courthouse employees received a consent award of \$400, or slightly more than 2% of wages, for 1983, and 7% of 1982 wages for 1984. The Superior School Board and the union representing its maintenance employees settled for a 5% wage increase for 1983. The Superior School Board and the union representing its custodians, secretaries, drivers and teacher aides settled for a 5.3% increase for 1983. An arbitration award determined that the salaries for the City Hall workers employed by the Employer should be increased by 3% as of January

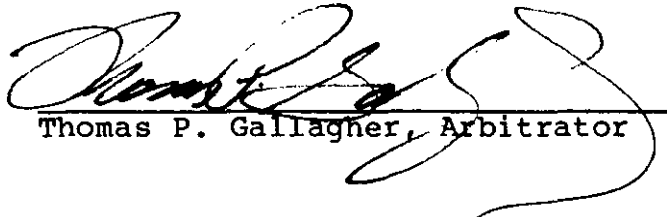
1, 1983, and by an additional 4% as of July 1, 1983, for a total increase of about 6.5% for the year. The salary of the Mayor of the City of Superior was increased by 5% for 1983.

The final offer of the Employer, if selected, would provide the police employed by the City of Superior with a smaller wage adjustment than that received by these other public employees in the community. The evidence before me does not provide any reason for making such a distinction. Therefore, I select the final offer of the Union, which makes a wage adjustment about equal to the increases given other public employees.

AWARD

The labor agreement between the parties shall be amended to conform to the final offer of the Union.

October 1, 1983


Thomas P. Gallagher, Arbitrator