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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

* * * * *
* In the Matter of the Petition of *
* ASHLAND CITY POLICE DEPARTMENT *
* EMPLOYEES UNION LOCAL 216-H *
* AFSCME, AFL-CIO *
* for Final and Binding Arbitration *
* Involving Law Enforcement *
* Personnel in the Employ of *
* CITY OF ASHLAND *
* (POLICE DEPARTMENT) *
* * * * *

Case XXXVI
No. 32659 MIA-841
Decision No. 21536-A

I. APPEARANCES

On Behalf of the City: Scott W. Clark - City Attorney

On Behalf of the Union: James A. Ellingson - District
Representative, AFSCME, Wisconsin
Council 40

II. BACKGROUND

On December 21, 1983, the Union filed a petition with the Wisconsin Employment Relations Commission requesting the Commission to initiate final and binding arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act, with regard to an impasse existing between the parties with respect to wages, hours and conditions of employment of law enforcement personnel for the years 1984 through 1985. An investigation was conducted by a member of the Commission. The investigator advised the Commission that the parties were at impasse on the existing issues as outlined in their final offers and closed the investigation. On January 27, 1984, the Union filed a petition to reopen the investigation, but subsequently withdrew the petition by filing written notification of same on March 19, 1984.

On March 26, 1984, the Commission ordered the Parties to select an arbitrator. The undersigned was selected. A hearing was held in the matter on July 17, 1984. Post-hearing briefs in the matter were exchanged August 17, 1984 and a reply brief was received from the Union August 20, 1984. Based on the evidence, the arguments of the Parties and the relevant statute, the Arbitrator renders the following award.

III. FINAL OFFERS AND ISSUES

The final offer of the City is attached as Appendix A and the final offer of the Union is attached at Appendix B.

A review of the final offers reveals differences in the following areas:

- A. Wages
- B. Clothing Allowance
- C. Payment of Health Insurance upon retirement

A. Wages

The City proposes a two-year contract with the following adjustments:

4.5%	1/1/84
5.0%	1/1/85

The Union proposes a two-year contract with the following adjustments:

2.0%	1/1/84
4.0%	7/1/84
4.0%	1/1/85
2.0%	7/1/85

B. Health Insurance upon Retirement

The City makes no proposal in this respect. The Union's final offer states:

"City paid health insurance upon retirement until Medicaid/Medicare commences (Firefighter's language 18.02)."

Section 18.02 of the Ashland Firefighter's Contract states:

"Retiree's Health Insurance: Upon retirement or forced retirement to the employee, the employer shall pay the full cost for the employee's health insurance policy until covered by Medicare."

C. Uniform Allowance

The Union proposes to increase the uniform allowance \$25, effective January 1, 1984 and January 1, 1985.

IV. ARGUMENTS OF THE PARTIES

A. Union

In support of their case, the Union looks to two separate groups of comparable employers. Their first set of comparables is the "Lake Superior District" and this covers employers in Douglas County, Bayfield County, Ashland County, Iron County and Sawyer County. The second group includes cities within the state with populations between 8,000 and 12,000 people. They submit that the second group is necessary because Ashland as a city is unique in size in northwestern Wisconsin. It is unique because it draws shoppers, and tourists from a large geographic area. Outside of the City of Superior, one has to reach all the way down to Rhinelander and Rice Lake to find comparable cities and they are less than the 8,000 population used for the Union survey. Moreover, it is likely that the problems faced by the officers and the levels of state aid to the cities will have a high degree of correlation as will the wages and benefits of the officers.

1. Uniform Allowance

The Union notes that the City of Ashland is one of the few Employers who provide no initial uniform allowance. This is in addition to a low yearly allowance. Thus, because the City does not make any contribution to an officer's initial uniform allowance, he is in a constant catch-up position; a newly hired officer in the City of Ashland starts out "behind the economic eight ball" and stays there because of the low yearly clothing allowance. The Union in particular points to the Ashland County

Road Deputies who receive \$375 per year for clothing allowance each January and an equal amount given to a newly hired officer for an initial uniform. Sawyer County provides a \$325 initial clothing allowance along with a yearly clothing allowance. Bayfield County provides the complete initial clothing allowance and replacements for equipment damaged in the line of duty, and a yearly uniform allowance.

2. Health Insurance Benefit upon Retirement

This benefit, according to the Union, is designed as a benefit for disabled officers who are forced to retire and a benefit for officers who retire under normal conditions.

As a foundation to their argument, the Union stresses that the Firefighters and Local 216-H have had a relationship of rough congruence of benefits prior to the 1981 contracts. In those contracts the Firefighters negotiated the above-cited benefit while Local 216-H negotiated dental insurance, optical insurance, an improved vacation schedule, shift differential and 60% payout of accumulated sick leave upon "honorable termination." In 1982 and 1983, Local 216-H obtained HMP and longevity on a percentage basis in exchange for a drop in City contribution toward health insurance from 100% to 90%. The Firefighters obtained both dental insurance and HMP. In 1984, they obtained longevity on a percentage basis. The Police have been the prime innovators in negotiations, however, the City has willingly granted most of these new benefits to the Firefighters. Thus, according to the Union, the Firefighters and Police are moving back into the rough parity of benefits that existed in 1981. This is consistent with the natural tendency in labor relations to equalize benefits among employees over time.

There is as well, in the Union's view, a significant need for such a benefit. Both Firefighters and Law Enforcement officers have shared until recently a mandatory retirement age of 55. Early retirement recognized the need for physical fitness in members of the Protected Services. It also recognized the unique physical wear and mental stress of these professions. Thus, too it is obvious that the chance of disability for a law enforcement officer is much greater than most public employees and equal to a firefighter.

In the Union's opinion, the issue in question is the City's payment of the single health insurance coverage to a disabled officer until Medicare/Medicaid commences. That premium is currently \$82.48 of which the employee pays 10%. They compare this to disability insurance payments made to Ashland School District employees.

The Union acknowledges that the City has argued that a new benefit should be voluntarily negotiated by the parties and not imposed by an Arbitrator. In rebuttal they contend this benefit is not new, however, to the City. It already exists with one unit and that unit is most comparable to this Union in the need for fringe benefits, which in the Union's opinion, is a very significant difference. In addition, the Union has attempted to negotiate the addition of the new benefit and has been rebuffed by the unrealistic bargaining posture of the City. As the Union noted at the hearing, the retirement benefit cannot be utilized for six years because of the joint requirements of age and years of service. If the Arbitrator decides in favor of the Union's package, the City would still have the opportunity to negotiate this provision out of the contract prior to any actual cost impact.

They note also that the addition of the Firefighter's health insurance benefit does not have an immediate cost impact to the City. Moreover, just because a retirement benefit is provided, it does not necessarily follow that all currently employed officers will utilize that benefit. The Ashland Police Department has been

known for a high rate of turnover due to low wages and fringe benefits. In the last 15 years, only one officer has retired and that was the former Police Chief who was not in the Union. Indeed the addition of the Firefighter's health insurance benefit to the Police contract would serve as a long term incentive to officers to remain with the City and would upgrade the morale of the employees.

3. Wages

The Union views this as the primary issue. In comparison to their second group of comparables, they note their data shows that the City of Ashland ranks 19th out of 23 in the maximum rates for Patrolmen and 20th out of 23 in the maximum rates of Sergeants. In terms of the Lake Superior District, they argue that even if the Union won the current interest arbitration, the wage rates at the end of 1984 would be behind the Ashland County Deputies, projected behind the Iron County Road Deputies and City of Hurley Police because of the quarterly cost of living bumps, behind the Bayfield County Road Deputies, behind the City of Superior Police, behind the Burnett County Road Deputies and behind the Sawyer County Road Deputies. In short, the Ashland City Patrolman is the lowest paid officer in the area.

They submit, in this context, there is justification for their use of split increases. In their view, the concept of gaining "lift" through split increases is justified in the current case, at least until the wages of the Ashland Police reach the average point.

They note too that the Employer presented no wage data on external comparables and instead relied strictly on internal settlements. They make several points in this respect:

(a) Department heads and other unrepresented employees have no bargaining power and are at the economic mercy of the City.

(b) The Firefighters are a non-AFSCME unit. As was stated at the hearing, the Firefighters have operated at an economic disadvantage for years because of continuous City threats to go to a volunteer fire department. The City seems to have recognized the inadequacy of the Firefighter's settlement because its final offer to the Police of 4 1/2% in 1984 is 1% higher than the Firefighter's settlement for 1984.

(c) The AFSCME settlement for Local 216-A Public Works provides for an 11% lift in wages and a new benefit of a \$100 per year clothing allowance. That is worth approximately 2/3%. The 11 2/3% "lift" over two years is much closer to the Union offer of 12% "lift" than it is to the 9 1/2% "lift" offered by the City.

B. The City

1. Uniform Allowance

The City notes in support of its position that employees in the City Police Department already get \$25 per year more than City Fire Department employees (\$275.00 Police; \$250.00 Fire). City Police Department also has additional protection for replacement of officers' clothing which is ripped, stolen, torn or damaged in the course of performing his/her regular duties under Article 24 of the contract. Last, they submit of the comparables provided by the Union, the City of Ashland uniform allowance is greater than that provided by the following: City of Superior, City of Hurley, Iron County Road Deputies and Burnett County Road Deputies.

2. Health Insurance Benefit upon Retirement

The City argues that, for several reasons, the Arbitrator should not impose this "onerous item" on the City. First, they cite the "extraordinary" cost to the City. Under present rates, the cost for single coverage would be \$82.48 per month per man or \$986.76 per man per year. In view that health insurance rates have been increasing from 12% to 40% per year, they suggest future costs and impact on the City would in all likelihood be astronomical.

Further, in connection with the high cost of the benefit, they assert the proposed benefit is a fundamental aspect of the bargaining relationship between the parties. Thus, in their view, such an aspect should be negotiated voluntarily by the parties, not imposed by an Arbitrator. They cite Northwest United Educators and School District of Barron., Case XII No. 22481, MED/ARB-14.

Next, they contend that the status quo on retirement health insurance should be maintained. They point out there is no quid pro quo or buy out for which the extraordinary cost and impact to the City would be a fair offset. There has been no showing of need for the change of the status quo. They speculate the retirement health insurance is just another item on the Union's want list and argue this does not justify changing the status quo. They cite Hilbert School District, WERC Dec. No. 19198-A, 5/21/82; LaCrosse School District, WERC Dec. No. 19714-A, 1/19/83.

They also draw attention to the fact that this benefit is not enjoyed by employees of comparable employers. In terms of the Firefighters, they submit that although the City of Ashland Fire Department has this benefit, there are significant differences in the Police Union and the Fire Union and circumstances under which the benefit was sold to the Fire Union to warrant refusal in this arbitration. For instance, they mention that the Firefighters work 24-hour shifts, have fewer vacation days, have a lower cap on sick leave accumulation, have a lower cap on sick leave payout at retirement, do not enjoy sick leave pay upon "honorable termination," have one less holiday and a lesser uniform allowance.

3. Wages

First, in support of their salary offer, the Employer makes reference to the settlements with internal units. They draw attention to the fact that the City's offer of 4.5% increase on 1/1/84 and 5% increase on 1/1/85 is the largest salary increase offered to any City of Ashland employee group. They note the following settlements in this regard:

"Fire Department	1/1/84	3.25%
	1/1/85	5.00%
Public Works	6/1/84	6.00% (effective rate: 3.5%)
	1/1/85	5.00%
City Hall	6/1/84	6.01% (effective rate: 3.5%)
	1/1/85	5.00%
Non-Union Officers and Employees	1/1/84	3.50%"

They also believe their offer is most consistent with the cost of living criteria. They note the U.S. Department of Labor Consumer Price Index as of May 22, 1984 for the U.S. as a whole was 3.1%. Thus, the City's offer is well in excess of the CPI without even counting the benefits beyond the salary offer. They believe

the total package cost of the City offer (not including medical insurance premium increases) is 5.9% for 1984, 6.52% for 1985, for a total of 12.44% over the two years.

They next make argument concerning the overall compensation factor. They contend the 1982-83 contract provisions which are reinstated for 1984-85 and enhanced by the City's offered benefits provide an attractive and comprehensive package of short term and long term monetary benefit and job security to the unit members. Specifically, they point to the following in addition to direct wages: call in pay, vacations, holidays, sick leave accumulation and sick leave payout upon "honorable termination," funeral leave, retirement, HMP health insurance, longevity (expressed on a percentage of salary), and uniform allowance.

Last in support of their wage offer, they present argument in connection with the criteria related to the interests and welfare of the public and the financial ability of the unit of government to meet these costs. Even if their offer is accepted, the City contends there will be a shortfall in the Police Department budget. Further, they contend the City has received a mandate from the voters to cut taxes. Although the 1984 Police budget is not cut from 1983, it contains a moderate 3.5% increase over the prior year. They believe that increase is "all the traffic will bear" and will barely meet the costs of the City's offer if the Police Chief is able to operate the department on a Spartan basis. The financial imposition of the Union demand on the department's budget would have a drastic negative impact.

4. Miscellaneous

As additional support for their final offer, the City notes they have agreed to new benefits for the new contract term. They note (1) an 11th paid holiday per man - pay only, not time off, paid in a lump sum with other holiday pay; and (2) health insurance contract security language which added providing that "No employee or dependent will be deleted from health insurance coverage if the carrier is changed."

They also draw attention to the increase in health insurance cost even though they did not cost them into their package. They believe it is valid to consider total cost, including increased cost of insurance premiums, because it is a cost experienced by the Employer as a direct result of a benefit negotiated by the Union. They cite Marion School District, WERC Decision No. 19418-A, 7/29/82. For 1984 the additional costs of health insurance premium for the Police Department alone is equivalent to 1%. No one knows what 1985 will bring but it is reasonable to assume that the costs will increase again. Given this additional item, the City's 1984 package has a cost of 6.92% compared with the Union demand of 6.44%. The total packages exclusive of 1985 insurance cost increases are, City: 13.44%, Union: 15.86%. They note further that these figures do not include retirement.

V. DISCUSSION AND FINDINGS

A. Wages

An analysis of the evidence on the wage issue leads the Arbitrator to conclude that the Union's offer is most consistent with external wage rates. This weighs in favor of the Union proposal.

With respect to external wage rates, the Arbitrator estimates based on the only available data that the average salary (top step)

for employees in positions comparable to Patrolmen for 1984 is approximately \$1600 per month.¹ Under the Union offer, the year-end rate for 1984 would be \$1560.82 per month or approximately \$40 less than the average per month. Under the City's offer, the year-end rate for 1984 would be \$1537.51, approximately \$62 less per month than the average. This data, viewed in this light favors the Union proposal as it is \$23.31 closer to the average.

In terms of 1985 rates, it is difficult to assess the reasonableness of the offers relative to the external comparables since there are no 1985 settlements in evidence. It is also difficult to assess the Union's catch-up argument because there is no historical analysis of wage increases and wage differentials in the external comparison. If this kind of evidence were presented, it would assist in gauging their catch-up proposal. For 1985, the offers are within 1% of lift and if the Union's proposal is accepted, the year-end rate in 1985 will be \$1655 per month versus \$1614 per month under the Employer offer. How these rates will measure up to the external comparables is in large part a matter of speculation. On one hand it could be speculated that the Union offer, depending on the settlements, will advance them to a greater degree than necessary or needed. On the other hand, it could be speculated that acceptance of the Employer offer might cause the employees to fall farther behind. More likely than these two extreme results is that the differential in 1985 will remain approximately in the same range as the differential which will occur under the acceptance of either 1984 offer. Thus, it seems appropriate that the 1984 data and offers should be given the most weight.

The following internal settlements and proposals are noted:

Public Works Department (AFSCME, #216-A)	June 1, 1984	6.0%
	January 1, 1985	5.0%
City Hall		
City's Final Offer	June 1, 1984	6.0%
	January 1, 1985	5.0%
Union's Final Offer	June 1, 1984	7.0%
	January 1, 1985	5.0%
Non-Union Employer	January 1, 1984	3.50%
Fire Department	January 1, 1984	3.25%
	January 1, 1985	5.0%

With respect to internal comparisons, neither offer is any more consistent in certain respects with the pattern than the other is inconsistent in other respects. In this respect, more attention is paid to the City Hall proposals and the Public Works settlements. Arbitrators are reluctant to give much weight to wage increases unilaterally granted to non-union employees. With respect to the Firefighters, while that settlement deserves some

¹ This includes Ashland County, Iron County, City of Hurley, Bayfield County, Douglas County, Burnett County and Sawyer County. City of Superior is comparable but it couldn't be determined from the Union exhibits what the actual salary was. The larger group of comparables was not used because the Union did not establish to the Arbitrator's satisfaction that the other cities were truly comparable. Comparability involves more than size. The Union has not established their comparability on the other traditionally recognized factors of comparability.

weight, there is an un rebutted assertion in the record that the Firefighter's bargaining power is diminished because of the possibility of replacement with a volunteer firefighting force. This is a situation distinguished from the bargaining environment in which the other units operate.

The Union offer is slightly more consistent with the wage rate lift granted the Public Works Department and the wage rate lift proposed by the City in the City Hall unit. The lift over two years in these units is 11% compared to the 12% lift which occurs under the Union offer and the 9.5% lift occurring under the Employer offer. Thus, the Union's exceeds the lift by 1%, whereas the Employer's offer is shy of the lift by 1.5%.

However, while the Union's offer is slightly more consistent in terms of lift, the cost impact and the resultant actual dollar increases received under the Employer's City Hall offer and under the Public Works settlement as a whole is most consistent with the Employer's offer. The 6% in 1984 increase for Public Works and City Hall would be deferred until June 1, 1984. This minimizes the cost impact and limits to 3.5% the actual dollars received. On a wage only basis, the employees in Public Works will receive only 3.5% increase in actual dollars for 1984 and 5.0% in 1985. This is less than the 4.5% and 5.0% actual dollar increases which will be received under the Employer offer. Therefore, the Employer, while offering 1.5% less in lift than in the City Hall unit or Public Works unit, is offering 1% more in actual dollars received to the Police over the contract period. The Union's 4% offer, while resulting in less than the 4.5% actual dollars in the first year will yield a 7.1% increase in cost and actual dollars received in 1985 over 1984. The Union's wage offer thus yields an 11.1% actual increase and an 11.1% cost impact compared to the 8.5% cost impact and actual dollars received under the two-year contract in Public Works and the two-year Employer offer in the City Hall unit. Further, according to unchallenged City exhibits, the two-year total cost impact of the Union's offer is 14.86% compared to 12.44% under the Employer's offer. The Employer calculated the cost of the Public Works settlement which included other measurable items as 12.96% and the cost of their final offer for City Hall is costed as 12.75%.

B. Clothing Allowance

The Arbitrator is of the opinion that this issue will not be determinative of the dispute because its impact in any event is limited in scope compared to other issues, particularly wages. However, the Arbitrator notes that the allowances which would result under the Union offer are not inconsistent with the primary comparable group.

C. Payment of Health Insurance upon Retirement

It weighs in favor of the Union that the benefit they seek here is presently enjoyed vis-à-vis a voluntary settlement with the Fire Department employees.

What weighs most against the Union offer is the fact that there is no quid pro quo apparent in the negotiations or their offer which would justify the receipt of such a benefit. Arbitrators are reluctant, as the Employer points out, to grant such new benefits with such significant cost, especially in the absence of a significant quid pro quo. To grant such a benefit without such a quid pro quo is less than reasonable. This is because in large part an arbitrator, when reviewing final offers, is in part and to some degree essentially trying to measure what the parties would be most likely to receive or settle on in a free collective bargaining environment. In the regular collective bargaining process it is most often the case that one party doesn't

make dramatic gains or changes or receive major benefits without some evidence of a quid pro quo. It is difficult to believe that such a benefit would be gained voluntarily in a free collective bargaining situation without some kind of quid pro quo.

The Union attempts to soft peddle the impact of their proposal because no one is due to retire and suggests that if the cost becomes a problem the City can negotiate the provision out of the contract. However, the burden is the Union's first to justify the addition of the benefit. The fact that no one is due to retire would seem actually to mitigate against the proposal because there is no immediate need for the benefit. The fact that it is difficult to predict how many people will retire and thus be eligible for the benefit does not diminish the future significance of the benefit once it is granted. This is especially true in view of the long periods which the Employer may be obligated to pay health insurance for retirees. The significance of the proposal is evidenced in part by the fact that the Union has not cited one external employer who grants such a benefit to its employees.

The City contends too that in addition to the fact that there is no "buyout," the Firefighters have significant differences in their contractual circumstances under which the health insurance benefit was "sold" to the firemen. While not impressed with many of the differences the Employer cites, one is noteworthy. This relates to sick leave payout provisions of the respective contracts. The Fire Department has a sick leave payout upon retirement of 37 1/2 days. Because a "day" is equivalent to 24 hours, the fireman actually receives more of an hourly wage pay back than the police officer at 72 days maximum pay back. In spite of this, there is a major difference in language which results in the benefit being much greater for police than for firemen. The major difference is that police get sick leave pay back upon "honorable termination" as opposed to firemen who only receive the benefit upon retirement. Both Parties seem to agree this would include a voluntary resignation under honorable circumstances, therefore, this benefit, for an employee who leaves the City amounts to a severance pay provision and at the maximum accumulation amount, comprises a great deal of money. Seventy-two days times the 1983 rate for patrolmen would yield a cash payment close to \$5000. Certainly the fireman retiring is going to receive a similar benefit--but the point is that the policeman does not have to retire to receive the cash payout and in this respect has less incentive to stay until retirement. This is, compared to paid health insurance upon retirement, an equally unusual and significant benefit.

Accordingly the Union proposal isn't a matter of gaining parity of benefits with firemen as they already have a major benefit not enjoyed by the Firefighters or any other internal unit. Thus, this greatly limits the Union's argument that they should get the benefit because Firefighters have it. There is less inconsistency in benefits than they suggest. To grant this benefit to the Police would give them two extraordinary benefits leaving the Firefighters with only one.

In view of the foregoing, the Arbitrator must conclude that the Employer offer on this point is preferred because the Union has not justified the addition of this new and significant benefit. Only one of four internal units have it. Moreover, there is no immediate need for the benefit, in addition to the fact that there has been no quid pro quo offered. To award this benefit to the Police on top of sick leave payout upon honorable termination would thus be inequitable relative to the other internal units.

D. Consideration of the Offers as a Whole

The above analysis leaves the Arbitrator with the Employer's offer being somewhat less than reasonable on one issue, i.e. wages, and the Union's offer being less than reasonable on the other

issue, i.e. health insurance for retirees. The Union's offer is preferred on wages because it does more to get the Police in line with the average in the external comparables. The Employer's offer is preferred on health insurance because of the negative aspects flowing from the Union's offer. It has the added advantage of striking a more equitable balance between internal wage increases and fringe benefits. Thus, both offers in certain respects are unreasonable, and in a sense, the crucial question becomes which offer is the least unreasonable of the two.

It is the conclusion of the Arbitrator that the Union's offer is more unreasonable. This is because the negative implications of holding for the Union on health insurance outweigh the negative implications of holding for the Employer on wages.

If the Arbitrator were to hold for the Union, he would be granting a major benefit which there is no evidence the Union has paid for in the process of negotiations or for which they have demonstrated compelling need. The Arbitrator would also be granting a benefit not enjoyed by the two other internal units, and based on this record, not enjoyed by any external units. If he were to award for the Union, he would also be granting them this benefit in addition to a major benefit not enjoyed by other internal units. The instant Union seeks equity with the Firefighters in terms of this benefit, but yet they already have a significant fringe benefit not enjoyed by the Firefighters and further, they are asking for substantially more in pay increases and lift than that granted the Firefighters. Additionally, if the Arbitrator held for the Union, he would be granting them a greater wage increase in terms of lift (1% more) and a greater actual wage increase in terms of dollars received (11.1% versus 8.5%) for Public Works and City Hall. Simply put, while there is some need for catch-up demonstrated, the combination of the wage and health insurance proposal is too much to accept when compared to the Employer's offer.

The negative implications outlined above are less than those which would result under the Employer's offer. The main negative implication of the Employer offer is that it would leave the employees farther behind the average in the external comparables for 1984. However, there is only approximately a \$23 per month year-end difference between the offers for 1984. As stated before, the offers are difficult to assess in terms of external comparability for 1985. Therefore, based on the available evidence, adoption of the Employer's offer will not place the employees in a substantially worse wage position relative to the external wage levels. The fact that the employees will be \$23 farther behind under the Employer's offer is not to be taken lightly. However, this erosion is less unreasonable than the unjustified advancement of the bargaining unit in terms of the health insurance issue and less unreasonable when it is considered their actual dollar increases are relatively consistent with the internal comparables. Expressed in another way, the possibility of wage erosion would have to be more dramatic for the health insurance proposal to be inserted into the contract on the coattails of the wage issue.

While the modest need for catch-up has been demonstrated, the combination of catch-up plus the health insurance benefit relative to the internal settlements is too much to accept. If it were not for the health insurance issue and the lack of a quid pro quo, the Union's offer on wages would be solidly preferred. Whatever disparity exists at the end of the 1985 contract, if still yielding the need for catch-up, it will have to be addressed in other negotiations along with the somewhat substandard uniform allowance presently granted the employees.

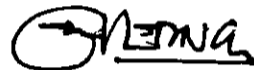
In summary, the Union's offer is rejected because the negative implications of holding for the Union on the health insurance issue outweigh the negative implications in holding for the Employer's

offer. Adoption of the Employer offer will not leave the employees dramatically behind the external comparables compared to the Union offer. Moreover, adoption of the Employer offer will result in actual increases somewhat greater than the other internal units, especially Firefighters, and will result in total package increases nearly identical to the other packages. Further, it will result in a better and more equitable balance of fringe benefits among the internal units.

VI. AWARD

The 1984-85 Collective Bargaining Agreement between the City of Ashland and the Ashland City Police Department Employees, Union Local 216-H shall include the final offer of the City of Ashland and the stipulations of agreement as submitted to the Wisconsin Employment Relations Commission.

Dated this 14th day of November, 1984, at Eau Claire Wisconsin.



Gil Vernon, Mediator/Arbitrator

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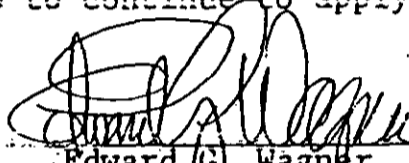
APPENDIX A

DEC 29 1983

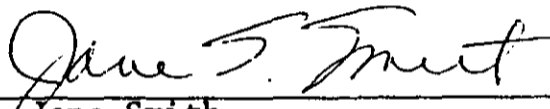
CITY OF ASHLAND - FINAL OFFER
Police Contract - Local 216-H

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

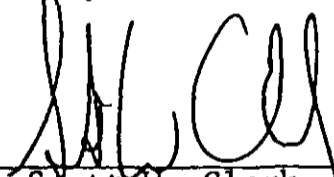
1. 2 year contract January 1, 1984 - December 31, 1985
2. Salary: 1/1/84 4.5% increase
 1/1/85 5. % increase
3. 11th paid holiday per man - pay only, not time off, paid in lump sum with other holiday pay.
4. Tentative Agreements:
 - a) No employee or dependent will be deleted from health insurance coverage if the carrier is changed.
 - b) Change existing contract to delete floating holiday in 16.01 and change 42.5 hours per week in 13.01 to 40 hours per week to reflect current practice.
5. Balance of contract terms and conditions of collective bargaining agreement which expired 12/31/83 to continue to apply.



Edward G. Wagner
Mayor



Jane Smith
City Clerk



Scott W. Clark
City Attorney

APPENDIX B

Final Offer #2
Local # 216-H
Ashland City Police
12/21/83 2:40 p.m.

1.) Two year contract 1/1/84 - 12/30/85

2.) 2% increase all wage rates 1/1/84
4% " " " 7/1/84
4% " " " 1/1/85
2% " " " 7/1/85

3.) City paid health insurance upon retirement until Medicaid / Medicare commences (Firefighters language 18.02)

4.) Clothing allowance increased by
\$25 yr. 1/1/84
\$25 yr. 1/1/85

T.A. 5.) No employee or dependent
J.E. SWC will be deleted from
12/21/83 health insurance coverage if
the carrier is changed.

T.A. 6.) Change existing contract to
J.E. SWC delete floating holiday in
12/21/83 16.01 and change 42.5 hour
week in 13.01 to 40 hour week
to reflect current practice.

7.) 11th paid holiday per m.h.
Pay only - not time off -
paid in lump sum with other
holidays.

James Ellingson
District Representative

Dennis Dresette
union President