STATE OF WISCONSIN

BEFORE THE ARBITRATOR

In the Matter of the Petition of

BROOKFIELD PROFESSIONAL FIREFIGHTERS ASSOCIATION, IAFF, AFL-CIO

For Final and Binding Arbitration Involving Fire Fighting Personnel in the Employ of

CITY OF BROOKFIELD

Case 64
No. 38183 MIA-1185
Decision No. 25843-C

Appearances:

Mr. John Keith Brendel, Counselor at Law, appearing on behalf of the Association.

Mr. Roger E. Walsh, Attorney at Law, appearing on behalf of the Employer.

ARBITRATION AWARD:

On October 26, 1989, the Wisconsin Employment Relations Commission appointed the undersigned Arbitrator, pursuant to Section 111.77 (4)(b) of the Municipal Employment Relations Act, to issue a final and binding Award to resolve an impasse arising in collective bargaining between Brookfield Professional Firefighters Association, IAFF, AFL-CIO, referred to herein as the Association or the Union, and City of Brookfield, referred to herein as the Employer or the City, with respect to the issue specified below. The proceedings were conducted pursuant to the provisions of Wis. Stats. 111.77 (4)(b), which limits the authority of the Arbitrator to the selection of the final offer of one party without modification. The proceedings were conducted at Brookfield, Wisconsin, on December 19, 1989, at which time the parties were present and given full opportunity to present oral and written evidence and to make relevant argument. The proceedings were not transcribed, however, briefs and reply briefs were filed in the matter. Final briefs were received by the Arbitrator on March 1, 1990.

THE ISSUE:

The sole issue before the Arbitrator relates to health insurance for retirees and the Employer's contribution for that insurance. The parties' final offers with respect thereto are:

ASSOCIATION FINAL OFFER:

ART. 7.03

INSURANCE FOR RETIREES

Commencing 01/01/87, upon an employee's 'normal' retirement (as defined per Wis. Stat. Sec. 40.23) or upon an employee's termination due to disability (as defined in Sec. 40.65 (4) Wis. Stats.), the City shall contribute monthly a sum equal to seventy five percent (75%) of each payable monthly premium for such employee's single or family plan, as applicable, of group health insurance, similar in quality and kind to the coverage and plan that the employee participated in at the time of retirement or termination. Such contribution shall continue monthly thereafter, in such amount as calculated, until any of the following events become applicable, of group health insurance, similar in quality and kind to the coverage and plan that the employee participated in at the time of retirement or termination. Such contribution shall continue monthly thereafter, in such amount as calculated, until any of the following events become applicable to the employee:

a) The death of the employee;
b) The employee attains age 65 and the employee is qualified for medicare
c) The employee is a participant in a substantially equivalent group health insurance plan provided by a subsequent employer during the period of such participation.

In the event the employee's spouse is not eligible for medicare when the employee's participation in the program ceases, the spouse may remain in the same city group health plan until eligible for medicare solely at the expense of the spouse, such continuation of coverage being dependent upon the payment of the premium by the spouse to the City Treasurer, in advance. The twenty-five (25%) percent of the premium due from the retiree-employee while eligible shall similarly be required to be paid in advance to the City Treasurer.

EMPLOYER FINAL OFFER:

The provisions of the 1987-1988 contract are to be amended by the following:

Add the following to Section 7.03. (Note: Letter the existing provision as paragraph (a)).

b) For employees who retire on a regular pension (disability pensions excluded) on or after December 31, 1988, the City shall pay $58.00 per month toward the single plan premium and $148.00 per month toward the family plan premium of the health plan the employee was in prior to retirement, and such payment shall remain frozen at that level throughout the period of such payment, under the following conditions (if an employee/retiree switches from a family to a single plan or vice versa, the City will continue to pay up to the same amount it had been previously paying):

1) The employee/retiree must have at least fifteen (15) years of continuous service with the City of Brookfield.

2) The employee/retiree must be at least the statutory normal retirement age.

3) Participation in the City's health insurance program ceases at the earliest of the following:

(i) The employee/retiree's attainment of age sixty-five (65), and the employee/retiree is eligible for Medicare.

(ii) The employee/retiree's death.

c) The City agrees to fund a Fire Department Retiree Health Insurance Account in accordance with the amounts listed on a document entitled " "Brookfield Fire, Post-Retirement Medical Annual Funding Cost," with a benefit defined as $58.00 single, $148.00 family/month." A copy of this document is attached as Appendix "A". The City would deposit the 1989 deposit amount as soon as possible after receipt of the Arbitrator's award relating to the 1987-1989 contract; in January, 1990, or as soon as possible after the receipt of the Arbitrator's Award relating to the 1987-1988 contract, the City would deposit the 1990 deposit amount; in January, 1991, the City would deposit the 1991 deposit amount, and so far as listed in the document. The amounts so deposited may be commingled with other City monies for investment purposes, but the amount in the Fire Department Retiree Health Insurance Account, including the return on investment, must be reasonably ascertainable. The return on investment will be calculated by taking the average rate of interest on the first of each month during the calendar year paid by Bank One, N.A., on its 6 month certificate of deposit for deposits of $5,000. The parties agree that beginning in 1991, the Fire Department Retiree Health Insurance Account may be analyzed by the parties, upon the request of either party, to assess whether or not the Account is capable of paying monthly benefit amounts to employees who retire in that calendar year which are higher than the $58.00 single and $148.00 family amounts listed in Appendix "A", provided that the same deposit amounts listed in Appendix "A" are made. The parties may utilize the services of an actuary, paid for out of the Account, to assist in making this analysis. The benefit amounts may fluctuate up or down for any particular year, depending on the analysis of the amounts in the Account, but the benefit amount will not be lower than that listed in Appendix "A". The funding amounts listed in Appendix "A" are based on the number of employees in the bargaining unit as of December 31, 1988. If additional employees (not including replacement employees for those in the bargaining unit as of December 31, 1988) are added to the bargaining unit, the City will be required to make deposits to the Fire Department Retiree Health Insurance Account in addition to those listed in Appendix "A" in order to fund the same benefit for such additional employees. Nothing in this Section is to be construed to prohibit the parties from bargaining different benefits or funding levels in subsequent collective bargaining agreements which will affect employees retiring under such agreements.

d) In the event the employee/retiree's spouse is not eligible for Medicare when the employee/retiree's participation in the program provided for in paragraph (b) ceases, the spouse may remain in the same City group health plan until eligible for Medicare solely at the expense of the spouse, provided that the spouse pays the full monthly premium therefor to the City Treasurer by the 15th of the month prior to the month the premium is due, or the spouse may be dropped from the City's insurance program.

e) If an employee/retiree who is participating in the program provided for in paragraph (b) obtains other employment in which comparable health benefits are available at a cost to the employee/retiree which does not exceed the employee/retiree's cost under this City's program, the employee/retiree must participate in the other plan, provided that the employee/retiree may again participate in the City program when no longer eligible for the other coverage, if otherwise eligible under paragraph (b) and if the City's insurance carrier agrees to permit such participation. As an alternative to participating in the other plan, such employee/retiree has the option of remaining in the City plan, but only under a single contract covering the employee/retiree.

f) The employee/retiree who is participating in the program provided for in paragraph (b) must pay the balance of the full monthly premium to the City Treasurer by the 15th of the month prior to the month the premium is due, or the employee/retiree may be dropped from the City's insurance program.

DISCUSSION:

Wis. Stats. 111.77 (6) set forth the factors to which the Arbitrator shall give weight in determining which party's final offer should be adopted. The factors are:

(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 employees 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, medication, fact-finding, arbitration or otherwise between the parties, in the public service, or in private employment.

The Arbitrator will consider the record evidence and the parties' arguments in light of the statutory criteria found at 111.77 (6) a through h.

BACKGROUND:

The dispute involves an unresolved issue in the bargaining for the 1987-88 Collective Bargaining Agreement. All of the tentative agreements have been implemented, and the parties have agreed that Article VII, Section 7.03 of the 1987-88 Agreement will be modified to conform to the decision in this proceeding.

The history of events leading up to this arbitration is contained in Association Exhibit No. 7 as follows:

January 26, 1987	Union files a petition requesting the WERC to conduct an investigation as to impasse.
April 21, 1987	Mediation held, Marshall L. Gratz Investigator.
April 28, 1987	Parties reach accord on Contract to be executed except for retiree health insurance.
June 1, 1987	City petitions for a declaratory ruling from the WERC as to whether the insurance proposal submitted by the Union is a mandatory subject of bargaining (Case 66, No. 38870, DR (M)-429.
June 10, 1988	WERC issues a declaratory ruling that the Union's proposal did not involve a prohibited subject of bargaining. City files an appeal of the DR to Waukesha County Circuit Court (Case No. 88-CV-2090).
August 5, 1988	City requests the MIA proceedings be held in abeyance pending final resolution of the judicial review of the related Commission's DR.
December 21, 1988	Judge Zick in Waukesha County Circuit Court concludes that the respondent's (WERC) decision is reasonable and must be affirmed. Case No. 88-CV-2090.
January 10, 1989	WERC orders the City to submit a final offer. Case 64 No. 38183 MIA-1185.
January 31, 1989	City submits final offer for 1987-88 Contract excluding longevity payments. Case 64 No. 83183 MIA-1185.
February, 1989	City files Motion to Dismiss on the grounds of mootness.
February 17, 1989	Union advises the Commission's Investigator that they objected to the City's January 31 final offer as being outside the scope of the issue the parties agreed to arbitrate.
April 14, 1989	Hearing conducted by Examiner Peter G. Davis as to the issue of the appropriateness of the City's offer.
August 4, 1989	WERC rules the City is in error and must file an offer appropriately limited to the retiree health insurance issue.

August 30, 1989	City submits revised final offer.
October 24, 1989	Union and City select Joseph B. Kerkman as the arbitrator to handle the arbitration.
November 8, 1989	State of Wisconsin Court of Appeals District II affirms Waukesha County Circuit Court Judge, Willis J. Zick's decision.
December 19, 1989	Date of arbitration hearing. Case 64 No. 38183 MIA-1185.
March 1, 1990	Final briefs of the parties received in the arbitration proceedings.

While only one issue is being arbitrated here, i. e., health insurance coverage for retired employes, there are several subissues raised in the final offers of the parties. The differences in the final offers of the parties are accurately set forth in the Employer brief at pages 1 through 3 as follows:

1. Scope of Coverage

   (a) The City limits its proposal to employees who retire on a regular pension at the statutory normal retirement age and excludes employees who retire on a disability pension.

   (b) The Union extends its proposal to employees who retire on either a normal retirement as well as to employees who retire on a disability pension under Section 40.65(4), Wisconsin Statutes.

2. Eligibility - Minimum Service Requirement

   (a) The City requires at least fifteen (15) years of continuous service with the City of Brookfield.

   (b) The Union has no minimum service requirement.

3. Termination of Coverage - Other Employment

   (a) Under the City's proposal, coverage is terminated if the employee obtains other employment in which comparable health insurance is available, only if the cost does not exceed the retiree's cost under the City's plan. In addition, if the employee is no longer eligible for the other coverage, the employee may again participate in the City's plan, if the City's carrier permits. The retiree can also protect his or her eligibility in the City plan by retaining a single plan.

   (b) Under the Union's proposal, the cost of the other employment insurance is not a factor in determining termination under the City's plan. In addition, the Union's proposal does not provide for returning to the City's plan if the retiree is no longer eligible for the other employment coverage, nor does it protect eligibility in the City plan by allowing the retiree to retain a single plan.

4. Type of Plan Coverage or Benefits

(a) Under the City's proposal, there is no specification of the type of plan coverage or benefits. The City will pay the specified premium amounts toward any health care plan offered by the City in which the retiree can participate.

(b) Under the Union's proposal, the City must provide a retired employee with "group health insurance, similar in quality and kind to the coverage and plan that the employee participated in at the time of retirement or termination."

5. Amount of Payment

(a) The City proposes to pay $58.00 per month toward the single plan premium, and $148 per month toward the family plan premium. The amount of the payment will depend on whether the employee was covered by a single plan or a family plan at the time of retirement, and the payment will remain frozen at that amount during the entire period the employee is eligible for the benefit, including a later change from a family plan to a single plan or vice versa, subject to further modification of the premium amount in later rounds of collective bargaining.

(b) Under the Union's proposal, the City will pay an amount equal to seventy five percent (75%) of whatever the premium cost may be for whatever type of plan, i. e., single or family, the retiree participates in.

6. Effective Date of Benefit. The City proposes to provide the benefit to employees who retire on or after December 31, 1988. The Union proposes to provide the benefit to employees who retire on or after January 1, 1987. Since no employee retired under either a normal or disability retirement from January 1, 1987 through December 31, 1988, inclusive, there is no impact involved in this difference, and, consequently, this difference is meaningless as far as this dispute is concerned.

THE COMPARABLES

We look to the "industry practice" for guidance as to the appropriate levels of contribution by the Employer for premium payment of retired employes' health insurance. A review of Association Exhibit No. 12 establishes that of the suburban communities surrounding the City of Milwaukee, 14 of those suburbs provide for health insurance contribution by the Employer to a retired employe's health insurance premium. The exhibit establishes that the City of Greenfield was the first suburb to initiate contributions to retirees' health insurance premiums when it did so in 1972. The latest suburb to provide the benefit was the suburb of West Milwaukee, when it agreed to provide health insurance benefit premium contributions for retired employes in 1988. Thus, all 14 of the suburbs contained in Association Exhibit No. 12 provide for contributions of the type proposed by both parties to this dispute. Among the comparables the coverages are effective in most instances from the age of 55 to the date of eligibility for Medicare. The amount of contributions by the Employer toward the premium for health insurance vary from a low of 50% of premium at the time of retirement in the suburb of St. Francis to a high of 100% in the suburb of Cudahy. In the majority of cases, the suburban communities provide for a percentage of the premium charged each year, with the notable exception of the suburbs of St. Francis and West Allis. In St. Francis, the Employer pays 50% of the premium which was fixed as of retirement date; thus,

the amount remains a constant dollar amount and the retiree picks up any insurance premium increases after the date of retirement. In West Allis, the Employer pays 100% of the premium at the time of retirement, and the retiree picks up increases thereafter, thereby also establishing a constant dollar amount in subsequent years. All of the information, then, contained in Association Exhibit No. 12 supports the Association offer because 75% premium contribution as proposed by the Association falls within the parameters of the premium contributions paid among suburban comunities. It follows from all of the foregoing, that when considering the external comparables the amount of premium contribution proposed by the Association is supported by the evidence, and the Association's offer is favored for that reason.

With respect to the internal comparables, City Exhibit No. 15 establishes that in the 1986-87 Collective Bargaining Agreement the City of Brookfield and its Professional Police Association agreed to retirees' participation in health insurance as was contained in the predecessor Collective Bargaining Agreement in force between the City of Brookfield and its Fire Department employees, i. e., the retirees were permitted to remain in the group at their expense. City Exhibit No. 14 is the Collective Bargaining Agreement in force for the years 1988-89 between the City of Brookfield and its Police Department employees. Sections 13.04 and 13.05 of that Agreement are provisions which are identical to the Employer's final offer in the instant dispute, with the exception that in 13.05 of the Police Agreement there is a reference to the understanding between those parties that the elimination of the longevity provisions contained in Article XI of the 1986-87 Contract were agreed to in return for the City's agreement to fund the retiree health insurance account as provided for in Appendix A. Thus, the internal comparables of Police to Fire supports the Employer offer in this dispute.

When considering the comparables, we have conflicting results in that the external comparables support the Association offer, whereas, the internal comparables support the Employer offer. It remains to be determined the weight to be accorded to each set of comparables. Those considerations will be made in the summary and conclusion section of this Award.

THE DISTINCTIONS IN THE FINAL OFFERS

In the background section of this Award we have set forth the differences between the final offers of the parties. We will now examine those distinctions to determine whether a preference for one party's final offer or the other is established by reason of the contents of the offers.

A. THE SCOPE OF COVERAGE

As set forth above, the differences between the final offers establish that the Employer excludes from premium participation by the Employer those employees who retire on disability while the Union includes those employees. There is no justification for the exclusion of the disability retirees, in the opinion of the undersigned. The exclusion of the disability retirees in the Employer final offer creates a preference for the final offer of the Association.

B. THE ELIGIBILITY MINIMUM SERVICE REQUIREMENT

The City proposes a 15 year minimum service requirement with the City of Brookfield. The Association has no minimum service requirement. As it relates to

normal retirement, the undersigned is satisfied that the minimal service requirement has little or any impact because to retire on a normal retirement, an employee would normally be expected to have 15 years of continuous service with the City. For disability retirements, however, that is not true, and the undersigned believes it to be reasonable to establish a minimum service requirement to qualify for Employer contribution to a disability retiree's health insurance premium. Because the Union offer has no provision for minimum service requirements, it follows that the minimum service requirement as proposed by the Employer creates a preference for the Employer offer.

C. TERMINATION OF COVERAGE

The Employer proposes that when a retiree's coverage is terminated because he/she has become eligible for participation in another group, the retiree may re-enter the Employer's plan, if the coverage in the outside group terminates. The Union's proposal has no provision for re-entry after coverage in the Employer group terminates because of coverage in an outside group. Because the Employer offer provides a mechanism for re-entry, as well as for the retention of single coverage while covered under another plan, a preference for the Employer offer is created.

D. TYPE OF PLAN COVERAGE

Under the Employer offer there are no specifications for the type of coverage or benefits. Under the Union proposal, the City must provide a retired employee with a group health insurance similar in quality and kind to the coverage and plan in which the employee participated at the time of retirement. The undersigned believes that there are flaws to both parties' proposals as it relates to the type of plan coverage or benefits. The commitment of the Employer would permit the level of benefits to fluctuate from year to year, based on the amounts of money in its funding pool. The Employer final offer would be more acceptable had the level of benefits been tied to benefit levels provided for active employees remaining in the employ of the Employer.

The Association final offer requires that the benefit levels be similar in quality and kind to the coverage and plan in which the employee participated at the time of retirement. Thus, the Association requires that the Employer maintain a level of benefits for the employee as of his retirement date, irrespective of what kind of coverage might be available to the employees still in the active employ of the Employer. As stated above, the more acceptable method would tie the benefit levels for retirees to the benefit levels in existence for active employees. Furthermore, the Association offer could create an irreconciable dilemma to the Employer. If the level of insurance benefits provided at the time of retirement are no longer being offered by insurance carriers, the Employer would be unable to comply with the requirements of the Union proposal. The Arbitrator believes this possibility should be avoided.

Both parties' final offers are deficient with respect to the level of benefits, in the opinion of the undersigned. Because the Employer offer with respect to the benefit levels mirrors the levels in effect in the Police Agreement; and because the level of benefits proposed by the Association conceivably might require the Employer to furnish benefits which an insurer no longer underwrites; and because the Association proposal may result in the providing of superior benefits for

retired employees compared to the benefits negotiated for employees still actively employed; the undersigned concludes that the Employer offer is preferred when considering the differences in the proposals relating to the type of plan coverage and benefits.

OTHER DISTINCTIONS

The Employer has proposed a funding mechanism based on the employee census as of January 1, 1989, subject to adjustments as the number of active employees may increase. It would be unnecessary to state the funding mechanism in the Collective Bargaining Agreement if the benefit levels for retired employees were established consistent with the benefit levels in effect for active employees in the employ of the Employer. It would also be unnecessary to include the funding mechanism in the Agreement if the amount of contribution by the Employer were negotiated in the Labor Agreement. If the foregoing circumstances were a reality, which they are not, then the Employer would be at liberty to make provisions for funding in whatever manner it deemed appropriate. Furthermore, once a dollar amount has been negotiated for the Employer contribution for retired employees' health insurance program, the Employer's cost is fixed because the employee necessarily must pick up the remaining portion of the health insurance coverage. Because the undersigned has earlier expressed a preference for a benefit level established consistent with the level of benefits provided to active employees, it would follow that the funding mechanism as offered by the Employer would be unnecessary if that approach were used.

THE COST IMPACT OF THE OFFERS

At hearing, actuary Clark Slipher testified as an Employer witness to identify the cost of the respective offers of the parties. Slipher's testimony is capsulized in City Exhibit No. 8, which provides two analyses of the cost of the respective offers of the Employer and the Association. The testimony and City Exhibit No. 8 provides a compilation of the present value of the projected future benefit of the liability for the current group of employees for each of the offers, and a 20 year funding projection for the current level of staffing, including replacements for retirees for the 20 year period. The analysis shows that the present value of the projected future benefits calculates to $212,435 under the City's offer and $1,262,432 under the Association offer. On a 20 year funding basis, the amount to be deposited over a 20 year period pursuant to the City's offer is $367,365 compared to $3,790,292 under the Association offer. The average funding over 20 years calculates to $189,514 pursuant to the Association offer and $18,368 pursuant to the Employer offer. Association Exhibit No. 6 establishes that there are 46 employees in the bargaining unit. Consequently, the average cost per employee per year over the 20 year projected funding is $399 per year under the Employer offer and $4,119 per year under the Association offer. Employer Exhibit No. 11 establishes the work week to be a 56 hour work week, which calculates to a work year of 2,912 hours. By dividing the cost per employee per year by the number of work hours in a year, we find that the Employer offer represents a cost of 14¢ per hour compared to a cost of $1.41 per hour under the Association offer. Thus, it is clear that no matter how one compares the 20 year funding cost of the parties' offers, the Association offer calculates to ten times the amount represented by the Employer offer. Furthermore, the amount of increase per hour of $1.41 represented by the Association proposal appears to the undersigned to be excessive when bargaining the introduction of a new benefit. From the foregoing, when considering all of the cost aspects of the respective offers of the parties, the undersigned concludes that the Employer offer is favored.

SUMMARY AND CONCLUSIONS:

The undersigned has concluded that the comparison of the dollar amounts contributed for health insurance premiums for retirees proposed by the Association compares favorably to the dollar amounts being paid in comparable communities for retired health insurance coverage. The undersigned has also found that the internal comparisons of contributions for retirees' health insurance premiums for police employees of this Employer are identical to the proposal of the Employer, and for that reason, the internal comparables favor the adoption of the Employer proposal in this dispute. After considering all of the evidence as it relates to the amount of contribution paid for health insurance premiums for retirees based on the comparables, both internal and external, the undersigned concludes that the Employer offer should be adopted when considering this criteria. The evidence establishes from Employer Exhibit No. 17 that there is a close approximation between the wages paid to firefighters and police officers for 1986, 1987 and 1988. The evidence also establishes that in 1987 and 1988 both police and firefighters had the same longevity provisions. In 1989, the longevity provisions were eliminated for the police officers in the employ of the Employer. Longevity is open for negotiations for firefighters because the 1989 Contract has not been settled. The evidence also establishes that for 1987 and 1988, the health insurance coverages were identical in so far as major medical deductibles were concerned. For firefighters in 1987 and 1988, the City paid premiums for health insurance for new hires after January 1, 1987, of an amount equal to the top HMO rate for the first year of employment. That provision was negotiated effective January 1, 1989, for the police for the first four years of employment. The evidence also establishes that with respect to health insurance the City pays full health insurance for 12 months for the spouse and/or dependent children of an employee whose death resulted from a job related cause for firefighters; however, no such benefit is available under the police contract. Finally, the evidence establishes that until the 1987 contract, the participation of retirees in group health insurance coverage at no cost to the City was the same for both fire department and police department employees. All of the foregoing evidence satisfies the Arbitrator that the relationship for health insurance coverages which existed between police and fire department employees has been consistent. The Arbitrator sees no reason to tamper with that consistent relationship. Furthermore, arbitral authority has consistently held that the internal comparisons, especially for fringe benefits, should be given great weight. Because of the foregoing, the undersigned concludes that when considering both the external and internal comparables the Employer offer should be adopted.

We have found that with respect to the scope of coverage the Union offer is preferred; that with respect to the minimum service requirement the Employer offer is preferred; that with respect to the termination of coverage the Employer offer is preferred; that with respect to the type of plan coverage, both offers are flawed, but the Employer offer is narrowly preferred; and that with respect to the costs of the respective offers the Employer offer is preferred. There is nothing in these findings to cause the Arbitrator to reach a result different from the result reached when analyzing the internal and external comparisons. It follows that the Employer offer should be adopted in its entirety.

Therefore, based on the record in its entirety, and the discussion set forth above, after considering all of the arguments of the parties and the statutory criteria, the undersigned makes the following:

AWARD

The final offer of the Employer is adopted and is to be inserted in Section 7.03 of the parties' Collective Bargaining Agreement which became effective January 1, 1987.

Dated at Fond du Lac, Wisconsin, this 14th day of May, 1990.

Jos. B. Kerkman,
Arbitrator

JBK:rr