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MAY 26 1991

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

In the Matter of the Petition of

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, LAW ENFORCEMENT EMPLOYEE RELATIONS  
DIVISION

For Final and Binding Arbitration Involving Law Enforcement Personnel  
In the Employ of

CITY OF JEFFERSON(POLICE DEPARTMENT)

Decision No. 27007-A

Appearances: Robert Pechanach, Representative, for the Union  
Lon D. Moeller, Attorney at Law, for the Employer

Wisconsin Professional Police Association, Law Enforcement Employee Relations Division, hereinafter referred to as the Union, filed a petition on December 28, 1990 requesting the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, to initiate compulsory final and binding arbitration pursuant to section 111.77(3) of the Municipal Employment Relations Act for the purpose of resolving an impasse arising in Collective Bargaining between it and the City of Jefferson(Police Department), hereinafter referred to as the Employer, on matters effecting the wages, hours, and conditions of employment of law enforcement personnel of the Employer for the years 1991 and 1992. An informal investigation was conducted by a member of the Commission's staff. The investigator advised the Commission that the parties are at impasse on the issues as set forth in their final offers. On September 13, 1991 the Commission issued an order directing that compulsory final and binding interest arbitration pursuant to section 111.77 of the Municipal Employment Relations Act be initiated for the purpose of issuing a final and a binding award to resolve the impasse existing between the parties.

Upon being advised by the parties that they had chosen Zel S. Rice II as the arbitrator, the Commission issued an order appointing him as the impartial arbitrator to issue a final and binding award in the matter pursuant to section 111.77(4)(b) of the Municipal Employment Relations Act. The arbitrator conducted a hearing at Jefferson, Wisconsin on January 21, 1992 and both parties were given an opportunity to present evidence. The testimony, exhibits, arguments and briefs of the parties have been considered.

The Unions final offer attached hereto and marked Exhibit 1, proposed that the Employer be required to contribute \$115.18 a month toward the single health insurance premium and \$310.99 toward the premium for family coverage. It proposed no other changes with respect to the insurance. The Union proposed that wages be increased by 2% on January 1, 1991 and 4% on July 1, 1991 and 2% on January 1, 1992 and 4% on July 1, 1992. It proposed that the term of the Collective Bargaining Agreement be for two years covering the years 1991 and

1992. The Employers final offer, attached hereto and marked Exhibit 2, proposed that the health insurance provision of the Collective Bargaining Agreement provide that it would pay up to \$115.18 per month towards the single premium and up to \$310.99 per month towards the premium for family coverage. It also proposed that the Employer would reimburse employees in full for the first day inpatient hospital deductible of \$250.00 under the health insurance program and the employees would pay the full fourth day deductible of \$250.00 under the health insurance program without reimbursement by the Employer. The Employer proposed a 3% increase in wages effective January 1, 1991 and a 2% increase effective July 1, 1991 and a 3.5% increase effective January 1, 1992 and a 1.5% increase effective July 1, 1992.

The Employer has provided the same health insurance coverage through an HMO program since 1989. That program currently includes a \$250.00 per person deductible on the first and fourth days of hospitalization. The Employer currently reimburses employees \$200.00 of the deductible for both the first and the fourth day of hospitalization. No bargaining unit employee has ever reached the fourth day deductible under the program. In 1991 a bargaining unit employee reached the first day hospitalization deductible for three separate admissions to the hospital. The Employer reimbursed that employee for \$200.00 of each deductible for a total of \$600.00 and the employee paid the remaining \$50.00 of the deductible for each admission to the hospital for a total of a \$150.00. The Employers final offer proposes to reimburse the employees in full for the first day of hospitalization deductible with the employees paying for the full cost (\$250.00) of the fourth day of hospitalization deductible. Had the Employers final offer been in effect during the 1991 contract year, the employee who had paid \$50.00 of the first day of hospitalization deductible for each of three admissions for a total of a \$150.00 would have been reimbursed in full by the Employer. The Union proposes to continue the status quo practice in connection with the Employers reimbursement of the hospitalization deductible.

#### UNION'S POSITION

The Union argues that the Employer has the lawful authority to implement its final offer. It contends that the parties stipulations have no cost and are not at issue. It asserts that the interest and welfare of the public are considered and met by its final offer and there is no issue with respect to the Employers ability to pay. The Union argues that its proposed comparability group is preferable to that of the Employer and that its wage offer will return it to its relative position with respect to a comparison of average base salary. It asserts that the Employer's offer is not supported by its internal comparison. The Union takes the position that the increase in the cost of living supports its final offer. It contends that its final offer will stabilize wage relationships with comparable departments while providing a minimal cost impact.

#### EMPLOYER'S POSITION

The Employer argues that its wage offer is overwhelmingly supported by the

external comparables. It contends that its proposed increases are at or exceed the comparable average and will maintain the bargaining unit's rank in the comparable group. The Employer points out that its wage proposal is consistent with the established pattern of internal settlements. It asserts that its health insurance proposal will reimburse employees for the full cost of the first day of hospitalization deductible and is reasonable. The Employer takes the position that its proposal is a reasonable response to the health insurance problem and results in little economic impact on the bargaining unit. It points out that the external comparables have implemented significant cost control and cost sharing features in their standard health insurance programs and argues that its proposal reflects the trend toward greater employee participation in cost control measures in the area of health insurance.

#### COMPARABLE GROUPS

The Association proposes a comparable group, hereinafter referred to as Comparable Group A, consisting of the police departments in Watertown, Beaver Dam, Whitewater, Oconomowoc, Fort Atkinson, Stoughton, the Town of Oconomowoc, Hartland, Delafield, Lake Mills, and Jefferson County. The populations in those municipalities range from a low of 4,143 at Lake Mills to a high of 71,478 in Jefferson County. The Employer's police department services a population of 6,078. The number of full-time law enforcement personnel in the police departments in Comparable Group A range from a low of 6 at Lake Mills to a high of 60 in Jefferson County. The Employer has 11 full-time law enforcement personnel in its police department. The eleven departments making up the comparable group are all located in the same general geographical area and are pretty much the same size except for the Jefferson County Sheriff's Department. The Employer proposes a comparable group, hereinafter referred to as Comparable Group B, consisting of ten communities in Dodge, Walworth, Jefferson and Waukesha Counties. Comparable Group B includes police departments in Beaver Dam, Delavan, East Troy, Elkhorn, Fort Atkinson, Horicon, Lake Mills, Oconomowoc, Watertown and Whitewater. The populations of those municipalities range from a low of 2,651 at East Troy to a high of 14,234 at Beaver Dam and the average is 8,861. The Employer's population is 6,078. The number of law enforcement employees in those departments range from a low of 8 at East Troy to a high of 43 at Watertown and the average is 21. The Employer considers Comparable Group A to be satisfactory except for the inclusion of Delafield, Hartland, Jefferson County, Town of Oconomowoc, and Stoughton. It contends that those communities are not comparable to the Employer because they are influenced by the economic forces of two large urban areas. It contends the Employer is effectively insulated from such economic forces because of its location in the middle ground between Madison and Milwaukee. It also objects to the inclusion of the Jefferson County department as a comparable, taking the position that city police departments and county sheriff's departments serve different geographic areas and perform different services. While Jefferson County does represent a different unit of government and encompasses a broad geographic area, the arbitrator is satisfied that the Sheriff's department performs similar type services in the same general geographic area in which the Employer and

several of the other comparable police departments are located. The arbitrator concludes that both Comparable Group A and Comparable Group B are valid comparison groups. Both comparable groups include municipalities located in the same general geographic area with the same general range of population. While some of the communities in Comparable Group A may be influenced by the major metropolitan areas to which they are close, they are still similar in size, function, and geographic area to the Employer. Jefferson County is obviously much larger than the Employer or any of the other communities in either comparable group and it has more police officers, but its employees are located right across the street from the Employer and they perform the same type of work on a day to day basis. Accordingly the arbitrator will rely on both comparable groups in reaching his decision.

#### HEALTH INSURANCE

Both the Union and the Employer make the same health care proposal with the respect to the amount of premium contribution to be made by the Employer. The difference between the two health insurance proposals is that the Employer would change the policy of reimbursing employees for the first \$200.00 of each \$250.00 hospitalization deductible to reimbursement for the full cost (\$250.00) of the first day hospitalization deductible and the employees would be responsible for the fourth day hospitalization deductible. The Employer's health insurance costs have been escalating rapidly and it has negotiated a 1991-1992 contract with its water and electric employees that provides the same hospitalization deductible reimbursement program that the Employer proposes for the Union. The fact that the Employer negotiated the same hospitalization and deductible reimbursement with its water and electrical employees that it offers the Union is a major factor in convincing the arbitrator that its health insurance proposal is the most appropriate. Arbitrators have consistently held that the internal comparisons with other bargaining units of the same employer carry great weight. The cost of insurance is a major issue facing employers and employees alike. More and more employers are seeking to make employees participate in the payment of the cost of health insurance and employees recognize that innovative methods must be adopted in order to achieve the mutual goal of controlling escalating medical costs. No cost containment effort is ever completely effective in stopping the escalation of medical costs but the Employer is justified in seeking the modest employee participation and cooperation as a method of controlling medical costs. The communities in Comparable Group B have implemented significant cost control and cost sharing features in their health insurance programs. Beaver Dam, Delavan, East Troy, Horicon, Oconomowoc and Whitewater have substantial up front deductibles. Fort Atkinson and Lake Mills both have major medical deductible requirements. Both Fort Atkinson and Oconomowoc have co-pay requirements for their law enforcement employees. Beaver Dam, Watertown and Oconomowoc all require premium contributions from their law enforcement employees. The Employer's proposal is a modest change in the current reimbursement program with respect to hospital deductibles. It will encourage the cooperation of the employees in controlling hospital expenses which will be a benefit to both the Employer and the employees.

The Union presented no evidence supporting its health insurance proposal except to point out its cost. Its evidence indicates that its health insurance proposal would cost the same as the Employer's proposal. The Employer's evidence indicates that if its health insurance proposal had been in effect during the 1991 contract year it would have provided full reimbursement of the hospital deductibles to the entire bargaining unit and saved one employee \$150.00.

The Association presented no evidence or made no argument in support of his health insurance proposal. The Employer's evidence indicates that innovative measures to control medical costs are being made by its external comparables and its water and electric employees have accepted a proposal on reimbursement of deductibles exactly like the one proposed to the Union.

The evidence clearly indicates that the Employer's health insurance proposal is more appropriate for the bargaining unit than that of the Union.

#### WAGES

The Employer's wage proposal is consistent with the established pattern of internal settlements. It negotiates not only with employees of its police department but also with employees of the department of public works and the water and electric department. The Employer's final offer maintains wage consistency between the three bargaining units. In 1989 the Employer negotiated increases totalling 4% for employees of the police department and the department of public works and the water and electric department employees received 5% increases. In 1990 the pattern was the same. The Employer has negotiated agreements with the department of public works employees for 1991 and 1992 calling for a 3% increases on January 1 and a 2% increases on July 1 of each year. The water and electric department employees received 4% increases each year in those years. The Employer's proposal of a 3% increase on January 1, 1991 and a 2% increase on July 1, 1991 and a 3 1/2% increase on January 1, 1992 and a 1 1/2 % increase on July 1, 1992 is consistent with those offers. Its proposal to the police and the department of public works employees for 1991 and 1992 provides slightly more lift than its proposal to the water and electric department employees but the overall increase is approximately the same. The internal settlement pattern supports the Employer's wage proposal.

In 1990 the monthly wage of the top patrolman or top deputy in Comparable Group A ranged from a low of \$1,863.00 a month at Lake Mills to a high of \$2,737.25 at Hartland. The average wage in Comparable Group A was \$2,302.78. The Employer paid its top patrolman \$2,210.82 which was the 7th highest in Comparable Group A. In 1991 the monthly base rate for the top patrolman or top deputy in Comparable Group A ranged from a low of \$1,957.00 at Lake Mills to a high \$2,874.08 at Hartland. The Employer's proposal would pay its top patrolman \$2,322.68 per month and the Union's proposal would pay them \$2,345.24 per month. Either proposal would be the 7th highest in the comparable group and maintain the same ranking the Employer had in 1990. Nine of the bargaining units in Comparable Group A have reached agreement on wages for the top patrolman or top

deputy in 1992 and those wages range from a low of \$2,056.00 per month at Lake Mills to a high of \$3,017.83 at Hartland. The Employer's proposal of \$2,440.03 would move the Employer up to the number 6 ranking in Comparable Group A while the Union's proposal of a monthly rate of \$2,487.83 would move the Employer up to the 5th ranking.

In 1990 the top patrolman's monthly wage in Comparable Group B ranged from a low of \$2,08.00 per month at Horicon to a high of \$2,508.00 at Oconomowoc and the average was \$2,215.00. The Employer paid its top patrolman \$2,211.00 per month which was just \$4.00 below the average and ranked 6th in the comparable group. In 1991 the top patrolman wage in Comparable B ranged from a low of \$2,078.00 per month at Horicon to a high of \$2,608.00 per month at Oconomowoc with an average of \$2,319.00. The Employer's proposal would pay its top patrolman \$2,323.00 which would be \$4.00 above the average and rank 5th in the comparable group. The Union's proposal would give the top patrolman a monthly wage of \$2,345.00 per month which would be \$26.00 above the average and would rank 5th in the comparable group. In 1992 seven of the communities in Comparable Group B have reached agreement with their police department employees and the salary of the top patrolman ranges from a low of \$2,357.00 a month at Delavan to a high of \$2,712.00 at Delavan. The average is \$2,473.00 per month. The Employer's proposal of \$2,440.00 for the top patrolman is \$33.00 per month below the average of those bargaining units that have reached agreement thus far and ranks 5th. The Union's proposal of \$2,488.00 per month is \$15.00 per month above the average and would move the Employer's salary for a top patrolman up to the 3rd highest in the comparable group. The 1991 wage increases in Comparable Group B range from a low of 3 1/2% lift at Horicon to a high of 6% at Watertown and the average lift was 4.61%. The actual increases in wages Comparable Group B in 1991 ranged from a low of 3 1/2% at Horicon to a high of 5% at Whitewater and Delavan. The Employer's proposal would provide a 5% lift which would be the 2nd highest in the comparable group and the Union's proposal would provide a 6% lift which would be tied for the highest in the comparable group. The average lift in Comparable Group B in 1991 was 4.61%. The actual increases in Comparable Group B in 1991 range from a low of 3 1/2% at Horicon to 5% at Delavan and Whitewater and the average was 4.28%. The increase resulting from the Employer's proposal would be the 4th highest increase in Comparable Group B and the Union's proposal would have a 3% actual cost which would be the lowest in Comparable Group B.

In 1992 the lifts in Comparable Group B range from a low of 4% in Oconomowoc to a high of 7% in Elkhorn and the average lift was 5%. The Employers proposal would provide a lift of 5% and the Unions proposal would provide a lift of 6%. The actual increase in salary for the year in Comparable Group B range from a low of 3 1/2% at Watertown to a high of 6% at Elkhorn and the average was 4.57%. The Employers proposal provides an actual increase of 4.25% while the Unions proposal would provide an actual increase of 3%. The Employer's proposal of 5% lift was the 3rd highest in Comparable Group B for 1992 and the Union's proposal of 6% lift would be the 2nd highest. The Employer's proposal of a 4.25% actual increase in 1992 was the 4th highest in Comparable Group B and the Union's proposal of a 3% actual increase would be the lowest.

The Employer's final offer will improve its ranking in both Comparable Group A and Comparable Group B by one full place. If the Union's final offer is selected the Employer's ranking would increase by three places in Comparable Group B. No evidence was presented that would justify a need for the Employer to move ahead in its ranking by three places in Comparable Group B to a position of wage leadership. Existing wage relationships resulting from free collective bargaining should not be disrupted as a result of interest arbitration unless there is some demonstrated need. When employees achieve rankings above the average or below the average because of voluntary agreements they are doing exactly what free collective bargaining was intended to do. Once rankings have been established as a result of collective bargaining it is important to both employers and labor organizations that they not be disrupted by arbitrators who do not participate in the negotiations. The normal way to insure against such disruptions is to follow the pattern of settlements reached within the comparable group. It appears that the final offer of the Employer does exactly that. It provides a percentage increase to its police that is similar to the pattern resulting from voluntary agreements in both comparable groups. The Employer's final offer for the 1991 contract exceeds the comparable average at the patrol officer maximum in Comparable Group B by \$4.00 a month while the Union's proposal would exceed it by \$26.00 per month. The Employer's 1991 increase is \$8.00 per month above the average increase given to a top patrol officer in Comparable Group B while the Union's final offer would be \$30.00 higher. The Employer's final offer maintains and even improves upon the rankings that were established through voluntary settlements and the Union's proposal would provide the highest dollar lift in wages in Comparable Group B in either 1991 or 1992. The Union's final offer would totally disrupt the standard of internal equity established among the Employer's bargaining unit employees and also disrupt the wage relationships that have been established by collective bargaining between employees and police departments in the comparable groups.

The Union argues that the law enforcement officers in Jefferson County comprise the most important comparable for these proceedings because they are located right across the street from the Employer's police department. It points out that the deputy sheriffs in the county received wage adjustments of 2% on January 1 and 4% on July 1 in both 1991 and 1992. The Union takes the position that the Employer should give the very same increases to the bargaining unit. In 1990 the Jefferson County top deputy sheriff received a salary of \$2,102.76 per month while the Employer paid its deputies \$108.06 more per month for a total of \$2,210.82. In 1991 Jefferson County raised the wage of the top deputy to \$2,230.94. The Employer's proposal would provide its top patrolman with a monthly salary of \$2,322.68 which is almost \$92.00 more a month more than the county's top deputy receives. In 1992 the Employer's proposal would pay its top patrolman \$2,440.03 per month while Jefferson County would pay its top deputy \$2,365.61 per month. The Employer would pay its top patrolman almost \$75.00 per month more than the county pays its top deputy. Obviously the Employer paid its top patrolman more than Jefferson County paid its top deputy in 1990 and it would still continue to do it in 1991 and 1992 under its proposal. Using

Jefferson County as a comparable, the Employer's wage proposal seems to be right in line. The difference between the two would be narrowed somewhat but the Employer would still pay more. Thus there appears to be no reason, based on that comparison, why the Employer's police department employees should receive an increase greater than the one that it has proposed.

The Union argues that in 1986 the base wages paid by the Employer were the same or slightly above the average in Comparable Group A and have dropped further and further below the average each year since then. In 1986 the Employer's top deputy received a salary of \$1,992.83, which was not quite \$5.00 above the average in Comparable Group A. In 1987, as a result of collective bargaining, the Union and the Employer reached agreement on a salary that was not quite \$51.00 a month less than the average in Comparable Group A. In 1988 the Employer's patrolmen agreed to accept a salary that was \$77.01 below the average in Comparable Group A. In 1989 the Union agreed to accept a monthly salary that was just over \$79.00 below the average in Comparable Group A. In 1990 the Union agreed to accept a salary that was \$92.00 a month below the average in Comparable Group A. Obviously there has been a decline in the relationship of the Employer's wage to the average wage in Comparable Group A. However, these salaries have come about as a result of collective bargaining and the Union agreed to them. They have bargained themselves into their current relationship with the other police departments in Comparable Group A and have agreed to contracts that established those relationships. The Employer's proposal for 1991 is \$94.02 below the average in Comparable Group A. That is not a substantial departure from the differential between the Employer's top deputy wage and the average of Comparable Group A in 1990. The Union has placed its self in its current relationship to the other bargaining units through collective bargaining and an arbitrator should not disrupt that relationship that was established through free collective bargaining unless there has been some significant change of circumstances or other evidence that would justify it. There is no evidence of such a situation in this case. The Employer has offered a wage increase that is comparable in dollars and in percentage that is similar to those in Comparable Groups A and B. The Union argues that unless the Employer can point to some compelling reason that its patrolman wage should fall behind external comparisons based upon its internal uniformity, that criteria should be given little weight. As pointed out earlier it was the Union's agreements with the Employer that placed it in its current position with respect to the external comparisons. It is the Union's obligation to present some evidence that would justify the arbitrator changing the relationships between the Employer and the external comparisons by awarding an increase that provides a lift well above the average in Comparable Groups A or B that were agreed upon in collective bargaining. It has not done this.

Both the Employer's final offer and the Union's final offer provide increases close to the increase in the cost of living and that is not a significant factor for the arbitrator to consider in this matter. The voluntary increases establish a reasonable barometer as to the weight that should be given to increases in the cost of living. Thus the pattern of settlements among comparable employees experiencing the same cost of living increases should be the determining factor in this dispute.



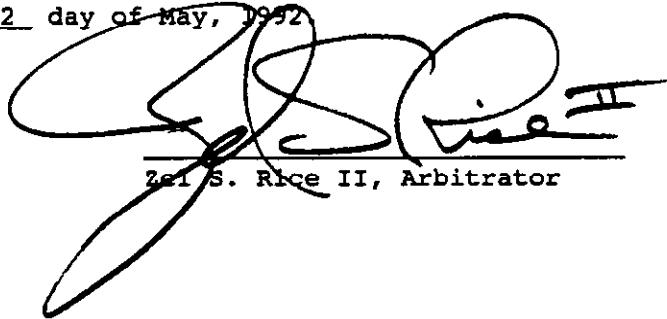
In view of the evidence presented by the parties the arbitrator is satisfied that the Employer's proposal with respect to wages is more appropriate than that of the Union. The Employer's proposal with respect to insurance achieves a goal of establishing cooperation by the employees in achieving some control over the stabilization of the escalating medical costs and it does so without imposing a burden upon the employees.

It therefore follows from the above facts and discussion thereon that the undersigned renders the following:

AWARD

After full consideration of the criteria set forth in the statutes and after careful and extensive evaluation of the testimony, arguments, exhibits and briefs of the parties, the arbitrator finds that the Employer's final offer more closely adheres to the statutory criteria than that of the Union and directs that the Employer's proposal contained an Exhibit 1 be incorporated into the collective bargaining agreement as a resolution of this dispute.

Dated in Sparta, Wisconsin this 22 day of May, 1992

A large, stylized handwritten signature in black ink, appearing to read 'Zei S. Rice II', is written over a horizontal line. The signature is highly cursive and loops around itself.

Zei S. Rice II, Arbitrator

EXHIBIT 1

FINAL OFFER TO THE CITY OF JEFFERSON  
FROM THE JEFFERSON POLICE OFFICERS

RECEIVED  
DEC 28 1990  
WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

1. Health Insurance:

Section 1. Remove reference to WPS-HIP and insert the following dollar amounts in the first paragraph.

\$115.18 single  
\$310.99 family

In the second paragraph change 1990 to 1992.

2. Wages:

Effective 1-1-91	2% Across the board
Effective 7-1-91	4% Across the board
Effective 1-1-92	2% Across the board
Effective 7-1-92	4% Across the board

3. Term of Agreement: Two Years (1991 and 1992)

All previous tentative agreements and all other terms of the agreement status quo.



Robert Pechanach  
WPPA/LEER Business Agent

RECEIVED  
AUG 05 1991  
WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

FINAL OFFER  
OF THE CITY OF JEFFERSON  
TO THE JEFFERSON POLICEMAN'S ASSOCIATION

July 31, 1991

RECEIVED  
AUG 05 1991  
UNION EMPLOYMENT  
RELATIONS COMMISSION

The provisions of the 1989-1990 Contract are to be continued except as modified by the Agreed Items attached hereto and by the following:

1. Article XV - Insurance. Revise Section 1 to read:

- A. "Section 1. Hospital and Surgical. The Employer agrees to provide health and medical insurance under the Dean Care HMO program for each employee and the employee's eligible dependents, provided such program is made available to the Employer. The Employer may also offer other HMO Programs. The Employer agrees to pay up to One Hundred Fifteen Dollars and Eighteen Cents (\$115.18) per month toward the single premium and up to Three Hundred Ten Dollars and Ninety-Nine Cents (\$310.99) per month toward the family premium for any such program.

(For 1992, the above-listed premium dollars amounts will be revised to reflect the actual premium charged the City by the Dean Care HMO program and this Section will be automatically amended to include these new amounts. As soon as such new premium amounts are made available to the Employer, the Employer will send the Union an amendment to the Contract which revises this Section accordingly.)

- B. Effective January 1, 1992, the City will reimburse employees in full for the first day inpatient hospital deductible of \$250.00 under the Dean Care health insurance program, and the employees will pay the full fourth day deductible of \$250.00 under the Dean Care health insurance program without reimbursement by the City.

2. Appendix "A" - Wages:

Effective 1/1/91 - 3.0% Across the Board  
Effective 7/1/91 - 2.0% Across the Board  
Effective 1/1/92 - 3.5% Across the Board  
Effective 7/1/92 - 1.5% Across the Board