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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of	:
	:
OSHKOSH PROFESSIONAL	:
POLICEMEN'S ASSOCIATION	:
	:
For Final and Binding Arbitration	:Case 195
Involving Law Enforcement Personnel	:No. 48344 MIA-1764
In the Employ of	:Decision No. 27569-A
	:
CITY OF OSHKOSH	:
POLICE DEPARTMENT	:
	:

Appearances:

Oshkosh Professional Policeman's Association by
Frederick J. Mohr, Esq.

City of Oshkosh by Bruce K. Patterson, Employee
Relations Consultant

ARBITRATION AWARD

Oshkosh Professional Policeman's Association (Union or Association) is the exclusive collective bargaining representative of the law enforcement personnel in the employ of the city of Oshkosh (Police Department) hereinafter referred to as the City or Employer. The parties have been unable to agree to the terms to be included in their contract for the years 1993 and 1994. On November 18, 1992, the Association requested the Wisconsin Employment Relations Commission to initiate arbitration proceedings in accord with sec. 111.77(3) of the Municipal Employment Relations Act. The Commission caused the matter to be investigated by a member of its staff, who advised the Commission on February 19, 1993, that the parties had reached an impasse.

The undersigned was appointed to act as the arbitrator by an order of the Commission dated March 17, 1993. The arbitration hearing was held at the Oshkosh City Hall on June 24, 1993. The parties agreed, at the conclusion of the hearing, that the record was closed except for two delayed exhibits. It was agreed that, in the event that the parties were able to obtain copies of the most current contracts for the Appleton Fire Department and the Neenah Police Department those documents would be included in the record. The parties further agreed to conclude their respective presentations with each party mailing a single brief to the arbitrator on or before July 24. That date was later extended to July 29, 1993, by an agreement between the parties.

ISSUES IN DISPUTE

The parties have been unable to reach agreement on four unresolved issues. The City has offered an across the board 4% wage increase during the first year and 3% across the board during the second year of the contract. The Association has requested split raise increases of 3% and 2% during each year of the contract. The City proposed to change contract provisions relating to health insurance deductibles and employee contributions for health insurance premiums. The Association requested that employees receive twenty days paid vacation after twelve years of service rather than fifteen years. It has also requested two changes which would result in increased holiday pay and additional compensation for officers who work on holidays.

THE ASSOCIATION'S POSITION

The Association said that the parties had agreed that Green Bay, Appleton, Sheboygan and Fond du Lac are comparable to Oshkosh for the purpose of this proceeding. It noted that the City had also proposed Neenah and Menasha as comparables. The Union said that, "these communities' insignificant population disqualify them for true comparability." Neenah's population is 41%, and Menasha's population is only 26% of Oshkosh's 55,503 residents. The size of a community effects the wages and benefits it provides. Smaller departments also have less

specialization, less crime, and less serious crimes in general. For those reasons, only the four communities upon which the parties have agreed should be considered as comparables.

SALARY. The Association said that arbitrators generally favor internal comparisons. "Some divergence from this general rule" occurs in police and fire department arbitrations. The only internal settlement in Oshkosh is its fire department's agreement. In that agreement the parties settled for a first year split wage increase of 3% and 2%; that is identical to the Union's 1993 offer in this proceeding. Oshkosh firemen received a 4% increase for 1994, compared to the City's 3% offer to policemen. The Association's offer of a 3% and 2% split increase during 1994 would have the same 4% cost that the City agreed to pay its firemen. That is a full percent more than the City's second year offer of 3% to the police in this proceeding. The Association said that the City's offer would change a longstanding relationship between Oshkosh policemen and firemen. If the City's offer is accepted, the top Oshkosh police patrol rate will fall \$48.57 per month behind the top fire fighter rate.

The Union pointed to evidence which it said demonstrates that, "Police departments are paid more than fire departments in all of the comparables." In Oshkosh, the differential between police and fire salaries is the lowest among comparables. If the Union's offer is accepted, Oshkosh police will continue to earn a lesser differential above the fire fighters than the police in any comparable community. If the City's offer is accepted, Oshkosh would have the only department, among the comparables, where the police earned less than fire fighters.

The Association argued that external settlements support its offer. It said that for 1993, comparable settlements appeared to be 4 percent. That is also the City's offer, and the cost of the Union's split increase. Only two comparables are settled for 1994; Sheboygan at 4%, and Fond du Lac with a 2% - 3% split increase. The Union said that its 1994 offer had the same cost as Sheboygan's settlement and, would result in the same lift as

Fond du Lac's agreement. It said the City's 3% offer is not comparable to either 1994 settlement. It argued that salary is only one factor in determining take home pay. Comparable communities provide more liberal shift differentials, longevity and holiday pay. Appleton provides additional compensation for physical fitness and pays an educational premium. Fond du Lac's educational premium is twice as large as the \$720 that Oshkosh makes available only to employees who were hired before January 1, 1989. The Union reviewed data which listed "total 1993 compensation," as follows: Green Bay \$40,810, Appleton \$39,087, Sheboygan \$37,293 and Fond du Lac \$37,207 compared to the \$37,305 or \$37,761 that the Oshkosh Police would receive under the City and Union offers in this proceeding. The Association said that, "Oshkosh lags significantly behind its sister community Appleton in total compensation." It is "mired at the bottom with comparable rates to Sheboygan and Fond du Lac, communities with a less vibrant economic condition and substantially lower populations." It said for police officers hired after January 1, 1989, who do not qualify for an education premium, Oshkosh would offer the lowest top patrol rate under either offer in this proceeding.

The Association said that the City's exhibits neglected to include increased salaries that Appleton's officers can receive at the "master police officer" pay level after January 1, 1993. It computed the difference at \$66 bi-weekly or \$1,706 per annum. It argued that this is particularly significant; because, in 1988 Oshkosh's top rate was \$10 more bi-weekly than Appleton's top rate. In 1993, Appleton's top rate is \$30 greater than Oshkosh's top patrol rate.

The Union summarized its position by arguing that "the internal comparable strongly favors the Association's position." External comparables, while not quite as compelling, favor the Union's offer. Total compensation for top officers is the most relevant comparison. Without the educational benefit, Oshkosh's top officers will receive less total compensation than top

officers in any comparable. Even with the educational benefit, Oshkosh officers lag far below officers in the closest community, Appleton. "Comparability requires that an Oshkosh officer compete in terms of total compensation with an officer employed in Appleton."

HEALTH INSURANCE. These employees did not have to make any contribution toward health insurance premiums before February 1990. "At that time a family plan member was required to pay \$10 per month. Under the City's proposal in just three years, that same employee will be required to pay \$68.75 toward family premium." During this period the total premium cost has increased by 71 percent; and, the City's contribution increased by 56 percent. The City, by asking employees to increase their contribution by nearly 700%, is asking "that association members pay over 12 times the percentage increase that the city is paying toward its health insurance." The Union said that "what is even more frightening is that the city's offer would require employees to pay 25 percent of any premium increase suffered in 1994."

In its settlement with the fire fighters, employees share 20% of increased 1994 premiums, but, the increase is capped at \$20. The Union said that the City gave the firemen a concession in return for that health insurance agreement. That concession will result in the firemen obtaining an increased sick leave payout of up to 2.5% of their annual salary upon retirement. The Association said that the city had failed to offer the police department any concession for increased health insurance contributions. It concluded that because the city had offered the police a lower wage increase, lower benefit increases and higher health premiums than it had offered fireman, the City's offer in this case is intended to be punitive. The Association said that other internal comparables have not settled for 1993. "The Association offer, which attempts to maintain the status quo in its contribution, is identical to all other City units but the Public Works Department which pays even less."

The Association said that of all external comparables, "only the City of Green Bay requires an employee to pay a share of the premium and then, only on the family plan." In Green Bay an employee pays \$141 a year, compared to \$600 or \$825 a year that the employees would be required to pay under the offers in this proceeding. It concluded that "external comparables overwhelmingly favor the Association offer."

The Association reviewed the potential maximum liability that employees in comparable districts are exposed to when deductible and co-pay expenses are considered. Green Bay police officers could pay up to \$150 deductible expense in addition to their \$141 premium contribution. "In Appleton, the worst a family plan member would pay is \$900; Sheboygan, \$760. Fond du Lac's exposure is significantly higher." It argued that compared to those maximum exposures, the City's offer would require employees to pay \$825 and the Union offer would require a \$600 annual payment in order to maintain the present coverage. It said that, "this required payment exceeds, significantly, the averages for the other communities."

The Association said that three of the comparables paid the bulk of their employees dental premium. Only Fond du Lac and Oshkosh do not contribute toward dental coverage. When total employer insurance costs, including dental insurance are considered, the city of Oshkosh's total health care outlay is not significantly higher than comparable costs elsewhere. It said that Oshkosh had attempted to shift a significantly higher portion of the medical cost crisis to its employees than comparable communities.

VACATION LEAVE. The Association has proposed that police officers should receive 20 working days of vacation after 12 years rather than the present 15 year requirement. It compared the City's policy for the police with fire department policy. Fire fighters receive 20 days after seven years of employment. It argued that fire department shift workers receive 192 hours of vacation time compared to a police officer who earns 160 hours

after 15 years of service. It argued that external comparisons also favor the Union's offer. Green Bay, Appleton, and Sheboygan all have better vacation benefits than Oshkosh. The Union offer would bring "Oshkosh up to the level of Appleton, not as good as either Green Bay or Sheboygan." It said that one would expect Fond du Lac to lag behind, given the size of the community.

HOLIDAY LEAVE. The Association noted that it had proposed two changes relating to holiday leave. The first would result in officers, who currently receive straight pay, receiving time and one-half for working on holidays. The comparables all pay at least time and one-half. Green Bay and Sheboygan pay double time on holidays.

It explained that Union members now receive 11 compensatory days off in lieu of holiday pay. "This is one day more than Green Bay and Sheboygan and two days more than Fond du Lac." Appleton officers receive cash rather than comp time. The Union said that the second change that it is requesting "deals with an employee's option to choose cash instead of time off. Presently association members receive 96 hours of pay. The only comparable is Appleton which receives 120 hours of pay. The Association is requesting an amount identical to the lone comparable." The Union pointed to an exhibit that compared the two offers in this proceeding with holiday leave policies in comparable districts. It concluded that the City's offer would result in Oshkosh police receiving \$1,698 compared to \$3,549 in Green Bay, \$2,987 in Sheboygan, \$2,412 in Fond du Lac and \$2,114 in Appleton. It said that its offer of \$2,144 "attempts to equate with Appleton, the lowest comparable."

The Association concluded by arguing that, "the City's final offer is punitive. It attempts to punish the Association for refusing to accept the City's request to implement a physical fitness program." The physical fitness program would have been required for persons hired after January 1, 1993, and could have resulted in dismissal. It said that the City did not offer a quid pro quo for that proposal. The only comparable program is

in Appleton, which offers premium salary incentives for compliance with its fitness program. No such incentive was offered in this case. The Association said that the City will acknowledge that it made a more generous offer to the Oshkosh Fire Fighters than to this Union. It argued that there is no merit to the City's contention that, fire fighters traded a new light duty policy for a generous wage and benefit package. It argued that the punitive nature of the City's offer is demonstrated by comparing the net package cost of the City's agreement for a top fire fighter with that cost for top patrol officers under the City's offer in this proceeding. The Union's offer is nearly identical to the dollar value of the fire fighter agreement. The City's offer is 59% of what fire fighters received. The Association argued that the reasonableness of the two offers should be measured by the cost of the City's voluntary settlement with its fire fighters. It renewed its argument that, acceptance of the City's offer would change a long term relationship between top fire fighters and top patrol officers. All comparables pay police officers more than fire fighters. Acceptance of the City's offer would destroy this historical relationship and dramatically change the status quo.

THE CITY'S POSITION

The City stated that three statutory criteria are primarily applicable in the present case. Those criteria are Wis. Stat. 111.77(6):

- (b) The stipulation of the parties
- (d) Comparison of the wages, hours and conditions of employment, of the employees involved in the arbitration proceeding with wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - 1. In public employment in comparables communities.
 - 2. In private employment in comparable communities.
- (e) The average consumer prices for goods and services commonly known as the cost of living.

It noted that the stipulations of the parties incorporates a new provision of a shift differential which "has a value of .0022% to the bargaining unit." This should be considered in evaluating the overall value of the two offers.

The City argued that Neenah and Menasha are so geographically close to Oshkosh that they probably should be considered comparable on that basis alone. It argued that if any of the proposed comparables is marginal, it is probably Green Bay. Green Bay is more than 70% larger than Oshkosh, and is over an hour's drive from Oshkosh. It said that Oshkosh shares the same labor market as Neenah and Menasha, which are often referred to as "twin cities." The two cities have a combined population of 38,000, and "a combined valuation the equivalent of Sheboygan." The City pointed to data contained in its exhibits, which, it said demonstrates the "relative competitiveness which is reflective of the common labor market shared by the cities in the proximity from Appleton to Fond du Lac."

SALARY. The City said that its wage offer would "maintain its comparable position." It cited exhibits which appeared to show that Oshkosh Police have ranked second among eight comparables at minimum and maximum wages, and would maintain that rank under either offer during 1993. It would rank first among only three settled municipalities during 1994 under either party's offer. It said that the City's 7% offer over two years "is consistent with the 1993 wage pattern and is appropriate when viewed in light of the 'cost of living' as measured by the Consumer Price Index."

The City said that "there is significant question as to the appropriateness and accuracy" of data presented by the Association. It presented a cost analysis of the Union's offer relating to salary, holiday leave and vacation benefits combined with the cost of the agreed upon shift differential. That analysis indicated that the Union's offer would increase costs by 13.08% over the term of the proposed contract. The Employer argued that the rationale to support that increase during a

period of low inflation is alarming. It said that the Union's offer "approximates as significant an abuse of the arbitration process as may exist. No employer today is negotiating 13% increases over a two year period."

The City criticized the Association's comparative data for top patrol officers in comparable districts. It presented an appendix which it said "points out a number of inappropriate or inaccurate aspects" of the Union's comparative data. It criticized the Union's having reported a top patrol rate of \$36,010 in Green Bay because that salary is only available to those persons who "have qualified for the rank of sergeant but have not yet been promoted and limited to 24 employees at any one time." It said that in reporting Appleton's top salary at \$35,406 the Union incorrectly included an education premium, payable only to officers with a baccalaureate degree, which is also included elsewhere in calculating Appleton's total salary package. The City cited a recent City of Appleton Police Arbitration award in which the arbitrator held that "Senior or Advanced" police officer compensation scales were not comparable to "the highest step on the pay scale." It argued that the top patrol salaries, reported by the Union for Green Bay and Appleton, are not comparable to top patrol rates in Oshkosh. It criticized the Union's data for Sheboygan, saying that longevity payments had been included in both maximum salary and as a separate increment of total wages. It had a similar criticism for education pay in Fond du Lac. The City stated that its corrected exhibit reflected accurate comparable data.

The City argued that there were valid reasons for its voluntary agreement with Oshkosh's Fire fighters. "The City believes that it did, in a meeting, attempt to offer the same wage and insurance package, along with a fitness program for new employees, to the Association. The Association rejected any concern relative to the fitness program." The Employer said that it had received significant items in return for the wage increase it had granted to fire department employees. It emphasized that

a significant amount of work connected injuries will be saved because of the new light duty program for fire fighters. It said that because the police are held harmless from uniform costs, the inclusion of a fire fighter uniform allowance is of no matter in this proceeding. It criticized the Union for comparing Appleton's overall compensation package with its offer. "The City of Oshkosh was prepared to deal with this issue." The Association was "not in any way interested in a fitness program." The City argued that when comparing total package compensation, the benefits of the City's proposed dual choice health proposal should be considered. It concluded by noting that the Association's offer in this proceeding "is greater than the voluntary settlement attained by the fire fighters."

HEALTH INSURANCE. The City stated that "Health insurance is a major problem in our society today and the City has endeavored to work with its employees in dealing with the rapid increases in health care costs." It pointed to exhibits which show that family health insurance premiums have increased from \$255 a month in February 1988, to \$640 a month in February 1993. It said that the City had proposed two ways the employees can participate in sharing some of that burden. . . "The burden they help create by their utilization of the benefit." The City said that employees would have the opportunity to choose one of two options under its offer. The can "continue to avoid any costs for health care other than the current premium sharing by continuing the no deductible health maintenance plan," or, "they may opt to pay very modest deductibles with no co-insurance payments and no co-premium payments." It said that the latter option would permit users "to participate at maximum at a dollar amount less than they paid last year."

The City argued that employees will have a choice which could result in virtually no health insurance cost for employees who opt for the deductible plan and do not use the coverage. Pointing to exhibits which contained data for insurance costs and the employee's exposure for costs in Oshkosh and comparable

municipalities, the City said that its premium is the highest of the comparable jurisdictions. It argued that the reason other municipalities have lower premiums is because they provide lower benefit levels or because their employees are subject to greater co-payments. The Employer argued that its insurance offer includes "a quid pro quo that is not really required." It concluded by saying that its dual choice proposal is reasonable and consistent with benefits offered in comparable jurisdictions.

HOLIDAY LEAVE. The City presented an analysis that purports to show that the Union's two proposed holiday leave modifications would add 2.46% to the Employer's wage package cost in 1993. It said that the Union had made either an erroneous or inappropriate comparison of holiday leave benefits that are provided to Green Bay, Appleton, Sheboygan and Fond du Lac's comparable employees. It argued that the over 13% package cost of the Union's offer is "totally without foundation."

"The over 10% wage increase is clearly not within any pattern of settlement in either the public or the private sector. The Consumer Price Index has increased about 3% a year. The City said that "the Association's Final Offer is for over four times that amount over a two year period. The City said that its offer is reasonable." "The Association has clearly presented an excessive demand for wages and benefits and blatantly ignores the need to address modifications in health insurance coverage."

DISCUSSION

The parties agreed that Appleton, Fond du Lac, Green Bay and Sheboygan are appropriate external comparables. The Association disagreed with the City's assertion that Neenah and Menasha are also comparable. There is some merit to the Union's contention that a city with a population of 14,857 is not comparable to a city with 55,503 residents. In this instance, neither party presented extensive data about property valuations, per capita income, mill rate levies and other factors that arbitrators customarily review when evaluating comparability arguments. A look at the map is sufficient evidence of a strong community of

interest in the Fox River Valley cities located between Appleton and Fond du Lac. A quick review of historic wage rates among all of the City's proposed comparables indicates that both Neenah and Menasha have paid competitive wages over the past four years. Based upon the evidence it seems obvious that, in spite of the disparity in their size to Oshkosh's population, both of these cities should be included in the comparable pool in this proceeding.

It was difficult to evaluate the data relating to external wage settlements; because, that evidence was both varied and at variance. The Union presented its case by comparing total wage compensation including wages, shift differentials, longevity, holiday pay, physical fitness premiums and education premiums paid in Appleton, Green Bay, Fond du Lac and Sheboygan with the value of similar package benefits under the offer in this proceeding. The Employer compared the parties' wage only increase offers to wage only offers in the foregoing municipalities and in Neenah and Menasha. In addition, the City pointed out a number of instances where the Association's data does not appear to be consistent with the data spelled out in supporting contract documents. There is, however, no dispute about the size of wage only settlements in comparable municipalities during 1993 and 1994.

During 1993, Appleton's police officers received a 3% increase on January 1 and 1% on July 1, a 3½% annual increase and 4% lift. Fond du Lac's police also received split increases on January and July 1. Their 3% and 2% split resulted in a 4% increase and 5% in lift. In Green Bay, Neenah and Sheboygan, the police received the same 4% wage increase that the city of Oshkosh has offered in this case. Menasha has not settled for either 1993 or 1994. The City's first year offer of 4% is supported by wage only settlements among comparables. There are only two comparable settlements for 1994; they are, Fond du Lac with a 3% and 2% split and Sheboygan at 4% for the year. Since only two of six comparables have arrived at second year

settlements, the data has limited value. Those settlements are more comparable to the Association's 4% offer than the City's 3% offer.

The City has complained that the Union offer taken as a whole would result in a wage compensation package increase of over 13 percent. The Association disagreed with some of the City's data. It did not, however, present any total cost data for its proposed compensation package. The weight of the evidence supports the City's argument that the cost of the Union's compensation package exceeds 10 percent. This conclusion is based upon the City's evidence that the total cost of incremental improvements in holiday pay, vacation pay and shift premium would equal approximately 2.96% over the term of the proposed contract. The City's conclusions that the total cost of the Union's package would exceed 13% presumes that the cost of the Union's two proposed 5% split increases would equal 5.06% in each 1993 and 1994. That assumption does not appear to be supported by evidence in the record.

The Association did not present any evidence about wage package cost increases in comparable districts during 1993 or 1994. That being the case, there does not appear to be support for the Union's proposed wage package increases from comparable settlements. The evidence does establish that police officers in Oshkosh will maintain their ranking among comparables at both starting pay and maximum pay during 1993, regardless of which offer in this proceeding is selected. There are not sufficient 1994 settlements to arrive at a reasonable conclusion about 1994 rankings. It has been noted that the Association, relying upon the data on its' Exhibit #10, disputes this finding. The 1992-1993, Appleton contract and Er. Exhibits #4-5 and 4-6 refute the Association's data and its conclusion. It appears that of the six external comparables only Fond du Lac will achieve the 10% lift in wages that the Association's offer would provide. Based upon the evidence, the City's wage offer compares most favorably to most of the wage settlements in comparable communities.

The Union placed heavy emphasis upon its comparison of the wage offers in this proceeding with the wage settlement that the City made with Oshkosh's fire fighters for 1993-1994. In that case the City agreed to a first year 3% - 2% split increase and a second year 4% increase compared to 4% and 3% offer to the Oshkosh Police in this proceeding. It argued that acceptance of the City's offer would change a long standing relationship between police and fire contracts in Oshkosh. It argued that the police are paid more than fire fighters in all of the comparable municipalities. Both of these conclusions are supported by the evidence. If the City's offer is selected, the wages paid to Oshkosh Police Officers will fall behind the wages paid to Oshkosh's fire fighters. In addition, the police officers will be the only police officers among the Association's comparables who will receive lower base wages than their counterpart fire fighters. This conclusion, which would ordinarily lend strong support to the Union's position, is tempered by the realization that these are wage only comparisons. It appears that the City made a financial offer to the police that was similar to its settlement with the fire fighters. During the course of bargaining the fire fighters apparently made some concessions which are not quantified in the record. The concessions included a new light duty program and a dual choice health insurance option.

The City's proposal to introduce a dual choice health insurance option, with increased employee contributions for those who continue existing coverage, is a major issue in this proceeding. In the interest of brevity, the issue is being reviewed based upon employee contributions toward family coverage only. Under the expired contract, commencing in February 1991, the total premium for the City's full coverage H M P was \$468.75 a month. Of this amount employees paid \$30. That contract provided that the employees' contribution would increase by 25% of the amount of increased 1992 premiums; but, the maximum increase in employees contributions was capped at an additional

\$20 a month. When total premiums increased to \$565 a month in February 1992, the employee's contribution increased to \$50 a month. In February 1993 the H M P premium for family coverage increased to \$640 a month.

During this round of contract negotiations the City has offered that for 1993, employees should contribute \$68.75 a month toward the H M P premium. It is not possible to determine exactly what the City has offered to all of the other bargaining units for 1994 coverage under the H M P plan. Its only other settlement is with the fire fighters. That contract provides, "Effective pay period 1, 1994, the employees may remain in the existing non-deductible plan and pay 20% of the increased cost of the plan to a maximum of \$20 per month. The employee may choose to opt out of the non-deductible plan and into the \$250 (single) and \$500 (family) deductible plan at no monthly premium participation by the employee." The City's final offer to this Union is similar to its agreement with the fire fighters, except that, the police would be required to "contribute an amount equal to 25% of the increased premium for 1994." Increased police contributions for 1994 would not be capped at \$20. It is that difference in the City's offer to this Union that is troublesome. Though the difference in the City's insurance settlement with its fire fighters and its offer to the police is troublesome, that difference is not evidence of bad faith. Since the City has not settled with any of its other bargaining units, it is reasonable for the Employer to hold to its position unless a bargain can be struck. In this case, it appears that the parties were unable to agree because of the employers' proposals for a new fitness program for new hires or for a dual choice health insurance program. The Union cannot be criticized for failing to agree to the City's proposals. However, the City should not be criticized for failing to offer this unit the same terms that it agreed to in a settled contract with a different bargaining unit.

Enough has been said, about the burden of increasing health care costs, in recent years by the undersigned and other

arbitrators. There is no point in re-reviewing the underlying causes and effects of this phenomenon again herein. It should be sufficient to note that in 1993 the full family health insurance premium cost in Oshkosh is \$640 a month compared to the next highest premium cost of \$530 a month in Menasha. The average premium cost for family coverage among all six comparables is \$466.69 a month. The Union has not proposed any change in health insurance coverage; nor has it proposed to increase its contribution to maintain that coverage during the term of this contract. That position appears to be unrealistic. The Union has correctly argued that its members' contributions toward health care costs have increased dramatically since 1989, when employees did not pay anything toward insurance premiums. The City's costs have also increased dramatically over that period of time. Employee contributions have gone from zero to \$50 a month, a great percentage increase. The City has absorbed less of a percentage increase but much larger dollar increases. In an effort to stem everyone's increased cost the City has proposed an optional health plan starting in 1993.

The City's dual choice option will have a premium cost of \$590 a month. Employees would be exposed to a \$500 front end deductible, but, would not be required to contribute toward premium cost. Under the expired contract, in 1992, the H M P premium cost was \$565; of this amount the City paid \$515 a month and employees contributed \$50 a month or \$600 a year. Under the City's dual choice proposal, an employee's exposure for cost sharing is reduced by \$100 a year from 1992. The City's cost, based on 1993 premiums, will have increased by \$75 a month or \$900 a year over 1992. There is no data available for 1994 premium costs for either the H M P or the dual choice plan. If premiums for the dual choice plan increase during 1994, the cost to the City will increase further while the, employees exposure under the dual choice plan, would be limited to \$500 for the year. The evidence endorses the City's initiative to introduce the dual choice option. It also supports the conclusion that

those employees who, for whatever reason, refuse to select the more economic option should share in the increased cost of the more expensive choice of health insurance coverage.

The Association's argument that external comparables favor its health insurance proposal simply is not correct. That argument is based only upon the maximum number of dollars that police officers in comparable communities might have to pay for health care compared to the City's H M P offer. It totally ignores the \$500 cap that would exist under the City's dual choice option. Under that option employees in Oshkosh appear to have less exposure for health care costs than any Union comparable (Un Ex #11). The Union's argument that Green Bay, Appleton and Sheboygan offer dental insurance plans does not appear to be germane to the health insurance issue discussed herein. That argument may have had merit if the Association had presented its argument in terms of total benefit package settlements among all comparables. It did not chose to make that argument. The only evidence in the record indicates that the city of Oshkosh provides a very expensive and comprehensive health insurance plan; and that, its employees share a lesser percent of the cost than comparable employees. Under the dual choice plan, the employee's exposure for costs may be contained during the term of this contract. The City's health insurance proposal appears to be more reasonable than the Association's offer in this proceeding.

The Association's proposal to reduce the required number of years of service, to qualify for 20 days of vacation, from after 15 years to after 12 years of service is supported by practice in Green Bay, Appleton and Sheboygan. There is no data presented for either Neenah or Menasha. The City's existing practice is apparently identical to Fond du Lac's practice of 20 days after 15 years. It is not possible to know how the City's practice that "56 hour work week (fire department) employees receive 8 working days after 5 years of employment" compares to 20 vacation days after either 15 or 12 years of service. The Union did not

present any cost data for its proposal. The City estimated that this part of the Union's offer would add .3% to its wage package costs. The Association has the burden of persuasion for the items contained in its offer. The limited amount of evidence that has been presented on the issue of vacation leave has not persuaded the arbitrator that the Association's position should be imposed upon the Employer through arbitration.

The Association's holiday leave proposal (page 7 above) contains two elements. Each of which, according to the City's costing, would add 1.23% to the cost of the Union's total wage package offer. The Union did not present any cost estimate for its holiday pay proposals. The Union's explanations for wanting these holiday leave changes appear to be reasonable. The cost impact, however, is significant. The Association has argued that external comparisons support its proposal for increased holiday pay to time and one-half. That argument is supported by practices among the Union's comparables. No information has been presented for Neenah and Menasha. The second part of the Association's offer does not appear to be supported by comparable comparisons. From a review of the Appleton, Green Bay, Fond du Lac and Sheboygan contracts, it appears that only Appleton and Oshkosh police officers are given the choice of receiving cash in lieu of compensatory time for having worked on a holiday. Oshkosh police officers currently receive 11 compensatory leave days in lieu of other holiday pay. This equates to an Oshkosh policeman having the option of receiving up to 96 hours of additional compensation instead of taking the 11 available days of compensatory time off. Police officers in Green Bay, Sheboygan and Fond du Lac receive one or two days less comp time than Oshkosh police officers. They do not have the option of receiving cash in lieu of compensatory time off. If the Union's offer is accepted, Oshkosh police officers would be entitled to receive pay at time and one-half for 120 hours instead of regular time for 96 hours of compensatory time. Some elements of the Association's holiday pay offer are comparable to some elements

in four of six comparable contracts. It appears that the Union's offer would establish a more remunerative holiday leave policy for Oshkosh police officers than any comparable group except for the Appleton police.

The City argued that its offer is more comparable to recent CPI increases which have been in the range of 3% a year. The CPI argument has been employed routinely in arbitration cases by one side or the other. In recent years, the CPI argument has usually supported the Employer's lower offers. Arbitrators have often commented that local conditions, proximate geographic and economic circumstances, industry trends and comparable settlements are more reliable evidence of local inflationary trends than the CPI. Arbitrators have recognized that the national index which reflects the gross impact of the elements of production and marketing do not necessarily translate to local or intrastate conditions. In the present case it appears that those conditions which have affected wage and benefit increases for other police and fire department employees in Oshkosh and other comparable communities are more significant than average increases in the cost of living index. That statutory factor, however, does appear to favor the Employer's offer.

CONCLUSION

It has been difficult to weigh the conflicting arguments of the parties in this proceeding. The City's offer would appear to result in a wage and fringe benefit package for Association members which is inferior to the settlement that the I.A.F.F. negotiated with the City of Oshkosh for 1993-1994. Interest arbitrators in Wisconsin have recognized that it is not desirable to effect a change in longstanding relationships through arbitration awards. In this instance the Union has recognized that the wage and benefit increases that Oshkosh's fire fighters received were achieved through negotiations, which included concessions in health insurance coverage by the fire fighters. "In order to get the concessions on health insurance with the fire department, the City paid dearly." The City emphasized its

belief that the negotiation of a new light duty program with the fire fighters was also a "significant item in return for the (fire fighter's) wage increase." The City had attempted to negotiate the same health insurance package with the police that it settled on with its fire department employees, and also attempted to bargain for a new employee fitness program for employees hired after January 1, 1993. The Union refused to accept these proposals during contract negotiations. If the Union's offer was adopted in this proceeding, its members would receive a larger pay increase than was negotiated by the fire fighters. They would have accomplished that increase, and what appear to be significant improvements in vacation pay and holiday leave without having granted any concessions in health insurance or an employee fitness program. It appears that accepting either of the two offers in this arbitration proceeding will have an effect on the longstanding relationship between wages and benefits paid to the City of Oshkosh's Police Department employees and its Fire Department employees.

Both of the wage only proposals appear to reasonable. The City's offer appears to be slightly more in line with external comparable settlements for 1993. The Association's offer, at this time, appears to be most comparable to the only two comparable settlements which have been arrived at for 1994. Because four of the six comparables have not settled for 1994, that conclusion is not entitled to as much weight as other factors discussed herein. The Union's proposed vacation offer, holiday leave proposal, and the 10% lift in its wage offer appear to raise the cost of its wage package offer above the level of other comparable settlements. If the Association's offer were to be selected in this proceeding, its members would appear to have achieved a wage and benefit package that would be superior to comparable settlements with Oshkosh fire fighters and among other police units in comparable municipalities. Acceptance of the Association's offer would reward the Union for rejecting the City's dual choice health insurance offer. That offering appears

to be both reasonable and necessary in view of the excessive health insurance costs that this city has experienced.

For the foregoing reasons the offer of the City of Oshkosh shall be incorporated into the parties 1993-1994 collective bargaining agreement.

Dated this 20th day of August, 1993 at Madison, Wisconsin.

BY THE ARBITRATOR:



John C. Oestreicher, Arbitrator