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FEB - 9 1994

**STATE OF WISCONSIN
BEFORE THE ARBITRATOR**

**WISCONSIN EMPLOYMENT
RELATIONS COMMISSION**

In the Matter of the Petition of

TEAMSTERS UNION LOCAL NO. 695

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

**Case 107
No. 48583 MIA-1784
Decision No. 27648 -A**

CITY OF GREENFIELD (POLICE DEPARTMENT)

APPEARANCES:

On Behalf of the City: Robert W. Mulcahy, Attorney - Michael, Best & Friedrich

On Behalf of the Union: Marianne Goldstein Robbins, Attorney - Previant, Goldberg, Uelmen, Gratz, Miller & Brueggeman, S.C.

I. BACKGROUND

On January 8, 1993, the Union filed a petition with the Wisconsin Employment Relations Commission requesting the Commission to initiate final and binding arbitration pursuant to Sec. 111.77(3) of the Municipal Employment Relations Act, with regard to an impasse existing between the Parties with respect to wages, hours, and conditions of employment of law enforcement personnel for the years 1993 and 1994. A member of the Commission conducted an informal investigation on February 22, 1993, and on May 6, 1993, advised the Commission that the Parties were at impasse. Based on that advise and based on the final offers submitted to the investigator, the Commission certified an impasse, and on May 12, 1993, ordered the Parties to

select an arbitrator from a list it provided. The undersigned was selected, and on June 14, 1993, his appointment was ordered by the Commission.

A hearing was scheduled for October 6, 1993. Post-hearing briefs and reply briefs were filed, the last of which was received December 10, 1993.

II. FINAL OFFERS AND ISSUES

There are only two issues. They are duration and the amount of the wage increase. The Employer proposed a one-year contract covering the period of January 1, 1993, to December 31, 1993. For that period they propose a 3.5% across-the-board increase effective January 1, 1993. The Union proposes a two-year contract covering the period of January 1, 1993, through December 31, 1994. They propose a 4% increase in each of the two years.

III. ARGUMENTS OF THE PARTIES (SUMMARY)

A. The Union

First, the Union addresses the differences between the Parties as to which municipalities should be used for comparable purposes under criteria "D." The Union suggests that 15 municipalities be considered comparable. The Employer agrees that the following nine communities are comparable: the City of Cudahy, the City of Franklin, the Village of Greendale, the Village of Hales Corners, the City of New Berlin, the City of Oak Creek, the City of St. Francis, the City of South Milwaukee, and the City of West Allis. The Union has included six additional comparables: the Village of Brown Deer, the City of Waukesha, the City of Wauwatosa, and the Village of Menomonee Falls. They believe their group is more appropriate because (1) it includes communities in Waukesha County, (2) they are contiguous or proximate in location and size, (3) it is a bigger and more complete group, (4) it includes Wauwatosa and Brown Deer which were included as comparable in a prior interest arbitration award involving the same bargaining unit, City of Greenfield (Police Dept.), Dec. No. 20611-A (Ziedler, 1983). Last, they reject the Employer's use of West Milwaukee as it simply is not comparable in terms of population, per capita income, and property tax bases.

In support of its offer, the Union first argues that the external comparisons favor the Union's offer. They note that in 1993 Patrol Officers in

10 of the 14 comparable communities received a 4% across-the-board wage increase. Furthermore, the remaining four comparable communities provided their officers with wage increases exceeding 4%. For 1994, 11 cities have settled for at least 4%. They argue officers in the City of Greenfield are entitled to a wage increase which is commensurate with those officers in comparable communities. The Union also notes that the external comparables support the Union's final offer as to the duration of the contract. Eight of the 14 communities entered into contracts with a duration of two years, while three communities entered into contracts with a duration of three years.

The next factor addressed by the Union is Factor F, "overall compensation." Initially, they note that the Employer attempts to justify its final offer of a 3.5% wage increase for a one-year contract by contending that it did not receive any relief in the cost of health insurance for its employees. They reject this as meritless (1) since the Parties reached an agreement on insurance, taking the issue out of contention, (2) because the Union agreed to changes in health insurance which saved over \$125,000 annually, and (3) the health insurance package is comparable in benefits and costs less than most comparables. Based on this, they contend that if other employers with higher health costs can afford 4% increases or better, so can Greenfield. As for the 1994 insurance rates, it will still be lower than those of half the City's comparables for 1993.

As for other aspects of total compensation, they reject the Employer's suggestion that its lower offer is justified by a longevity provision. They point out that 11 of the 14 comparables provide longevity pay to their officers. What is more important for purposes of comparison is the fact that Greenfield officers do not receive an educational incentive benefit in contrast with 10 of 14 comparables which do provide the benefit.

Next, the Union contends the internal comparables support the Union's final offer. They believe their offer to be reasonable because the majority of the Greenfield 1993-94 contracts are not yet settled, including the clerical, DPW, and residual units. When it is considered, the fire fighter contract provides a 3% and 5% increase in 1994, as well as other improvements, the Union contends the internal settlement favors their two-year offer. Last, they do not believe the CPI favors selection of the Employer offer.

B. The Employer

The Employer also addresses the matter of which employers should be considered comparable. They have chosen 10 municipalities which are geographically proximate to the City. Those municipalities are Cudahy, Franklin, Greendale, Hales Corners, New Berlin, Oak Creek, St. Francis, South Milwaukee, West Allis, and West Milwaukee. They detail in their brief why these communities meet all the criteria to be considered comparable. They dismiss the five additional comparables suggested by the Union since (1) wage data is presented for only one of them and (2) the other city is only remotely proximate and comparable making it, at best, only a secondary comparable.

Its first argument concerning the final offer relates to the internal pattern, which, they contend, supports their proposal. They note that the fire fighters have settled for three years at 3.5% (1993), 3.0/1.5% (1994), and 3.0/1.0% (1995). In addition, there were changes agreed to in health insurance involving (1) an increase from a \$100/200 deductible to \$150/300 in 1994, (2) a \$10/20 per month per employee contribution effective 1995, and (3) in 1995 an increase to a \$200/400 deductible. There were a variety of other changes in the agreement. Thus, the agreement between the City and the IAFF contains substantial health insurance revisions and, in addition, provides employees represented by the IAFF with effective wage increases less than the 4% increase demanded by the Union in this matter in both 1993 and 1994.

Also, in terms of internal comparables, the City notes that (1) for 1993, non-represented employees within the City received wage increases of 3% and (2) that the Police Supervisors' Association has a tentative agreement that provides for a 3.5% wage increase on January 1, 1993, and a split increase in 1994 of 3.0%/1.5%, resulting in an effective increase in 1994 for the Police Supervisors of 3.75%. In addition, under the tentative agreements, there is an increase in the deductible for the City's health insurance cost beginning in 1994, from \$100/\$200 to \$150/\$300. There were a variety of additional changes in insurance as well.

It is the position of the Employer that the internal pattern far outweighs that of any settlement pattern established within the external comparables because a deviation from the internal pattern would be unjustifiably disruptive to ongoing collective bargaining within the City. Moreover, a two-year contract without any health insurance change (as opposed to the one-year contract proposed by the City) would even further enhance the inequity that would be created among City employees. They point out that if the Arbitrator

grants a two-year contract, this group will be totally out of sync with the rest of the City with regard to health insurance.

It is also argued by the Employer that its offer is supported by external wage comparisons. In this regard they direct attention to data that shows the bargaining unit employees are paid well above average wages and, in fact, rank at the top end of the wage scale when compared to comparable employees in other municipalities. Moreover, the City's final offer does not disturb that ranking. In addition, any percentage increase that the City's Police Unit employees receive will result in a higher dollar increase than would that same percentage increase on the lower wages of the employees in comparable Police units.

Another consideration, in the opinion of the Employer, when evaluating the increases in the external comparables, is total compensation. While there was a 4% pattern, it must be viewed in context of total compensation including changes in health insurance that resulted in increased cost to employees. Last, the Employer argues that the CPI supports their offer, as it exceeds the increase in the cost of living.

IV. OPINION AND DISCUSSION

In a municipality with multiple units, it is well established that the internal settlement pattern should be given controlling weight unless adherence to that pattern would result in an unreasonable wage-level disparity relative to the external comparables. In applying this guideline, the difficulty arises in determining if there is an internal pattern and how strong it is, and in respect to external comparables, there can be difficulty in determining an appropriate wage level for comparison purposes. Diversity in wage levels and/or total compensation, diversity in the municipalities themselves, and lack of settlements are among some of the reasons that may affect the strength of the inferences to be drawn from the external comparables. There is an additional overriding difficulty and that is weighing the internal comparables against the external comparables.

Regarding the internal pattern, there is only one settlement. One settlement usually doesn't establish a pattern. However, it must be given some weight. It is significant that this one settlement is with one of the other protective service units (Fire Department). Police and fire settlements historically are respectively important indicators. There is also a tentative

agreement with the Police Supervisors' Association. Of course, this isn't technically a settlement. However, it gives us more of an indication as to what a reasonable settlement is than no settlement at all. While it is subject to ratification, the tentative agreement to some degree reflects the consensus of the respective negotiating teams, who are usually skilled and conversant with the statutory criteria. It, too, must be given some weight.

While it is difficult to say there is a solid and specific internal pattern at this time, it can be said that there is a general trend. It is most likely that the internal settlements will head in the direction of two- to three-year deals, with some changes in health insurance and with annual wage increases ranging from 3.5 to 4.5%. Paradoxically, both Parties argue the internal comparables favor their offers. While it might be said there is an emerging pattern, it is nonetheless not the kind of pervasive pattern that would compel a conclusion that it should be controlling regardless of which Party it favors.

On the other hand, the external comparables ultimately don't lead to any compelling conclusion. At the surface there seems to be a uniform pattern of 4% increases. However, these increases were often accompanied with changes in health insurance benefits that increased the cost to employees, thereby effectively diluting or reducing the wage increase below 4%. Thus, it is difficult to say that the Union's 4% offer is closer to the pattern.

Neither the internal pattern or the external pattern (when health insurance changes are accounted for) clearly favor either offer with respect to the amount of the wage increase; i.e., 3.5% versus 4.0%, which is, in its own right, a very small difference. For 1993 the difference in the offers for Patrolmen is only \$15.28 per month or approximately \$3.53 per week or \$.70 per day, which will buy a cup of coffee at some places. If there is any pattern externally it too can only be stated in generalities. The pattern seems to be in the direction of multi-year contracts with increases in the range of 3.5% to 4% and changes in employee health insurance.

Neither offer is consistent with the emerging internal or external patterns in all respects. However, the City proposal, because it is of shorter duration, affords a better opportunity for the Parties to negotiate a contract that would be consistent with (1) the eventual internal pattern with respect to wage benefits and duration and (2) with the external pattern with respect to total compensation. The more important consideration here is the internal pattern. Adherence to the external pattern of 4% increases has more potential to damage the eventual internal pattern. Under the Union offer, the Parties are locked into

two years at 4% without any changes in health insurance and without any obligation to negotiate changes. Acceptance of the Union's two-year proposal at this time would result in at least two rather divergent settlements. If the Supervisors and the City ratify the tentative agreement, the Union offer would be quite different from two internal units that are functionally related as they all involve protective services. It is not in the public interest to have similar employees treated in significantly different ways. Bargaining instability and morale problems are among the many reasons that divergent internal settlement are to be avoided.

The City's offer allows a better opportunity for a consistent internal pattern. It does not have the same potential for internal instability. Any differences that may exist in value between the City offer in 1993 and the fire contract for 1993 can be addressed in the bargaining for a 1994 contract. It also gives the Parties the opportunity to negotiate a settlement relatively consistent with the other units, assuming they have settled by this time.

More importantly, selecting the City's offer will not unduly harm the employees relative to the external comparables. As noted earlier, it is difficult to say that a 4% increase with increased employee health insurance cost is equivalent to a 4% increase without increased employee health insurance cost. Even ignoring this, based on the data in this record, the end result of accepting the City's offer still has the Patrol Officer in Greenfield being paid more than any other city (regardless of which comparable group is used.). Plainly, under either offer, the Patrol Officer in Greenfield will have the No. 1 wage rate in 1993 even if the City's offer is accepted. The margin of the leadership position is eroded slightly under the City's offer. However, this is not a compelling consideration under these circumstances.

In summary, neither offer is entirely consistent with the internal or external pattern. However, because of its shorter duration, the Employer's offer is more reasonable under these unique circumstances.

AWARD

The City's offer is selected.



Gil Vernon, Arbitrator

Dated this 9th day of February 1994.