

STATE OF WISCONSIN

MAR 27 1997

BEFORE THE ARBITRATOR

In the Matter of the Petition of

WISCONSIN PROFESSIONAL POLICE
ASSOCIATION/LEER DIVISION

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

CITY OF MANITOWOC

Case 124
No. 53617 MIA-2041
Decision No. 28799-A

APPEARANCES:

Mr. Richard Little, Bargaining Consultant, WPPA/LEER Division, 9730 West Bluemound Road, Wauwatosa, Wisconsin 53226, appearing on behalf of the Association.

Patrick L. Willis, City Attorney, City Hall, 817 Franklin Street, P. O. Box 1597, Manitowoc, Wisconsin 54221-1597, appearing on behalf of the City.

ARBITRATION AWARD

By an August 9, 1996, letter the Wisconsin Employment Relations Commission advised the undersigned that, pursuant to Sec. 111.77(4)(b), Stats., of the Municipal Employment Relations Act, he had been appointed to serve as arbitrator to issue a final and binding award. The matter involves an interest dispute between the Wisconsin Professional Police Association/LEER Division, hereinafter referred to as the Association, and the City of Manitowoc, hereinafter referred to as the City. A hearing was held on November 19, 1996, where the parties were given opportunity to appear, present oral argument, testimony, and evidence. No stenographic transcript was taken. Post-hearing

briefs were filed by both parties. The City filed a reply brief, the Association chose not to file a reply brief. The record was then closed on January 28, 1997. Now having considered the evidence, the arguments of the parties, and the record as a whole, the undersigned makes and issues the following Award. —

ISSUES:

No tentative agreements were reached on the successor January 1, 1996, through December 31, 1997, collective bargaining agreement. The remaining unresolved issues are submitted as proposed final offers to be included in the parties' successor agreement. Those final offers are appended to this Award as Appendix A (the Association's Final Offer) and Appendix B (the City's Final Offer).

STATUTORY CRITERIA:

The parties have not established their own procedure for resolving impasse over the terms for a new collective bargaining agreement. Rather, they have agreed to binding arbitration under the Municipal Employment Relations Act, Section 111.77(4)(b), Stats. Under that form of arbitration the arbitrator must consider the following factors listed under Section 111.77(6), Stats., in reaching a decision:

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

BACKGROUND:

The Association represents all regular full-time and regular part-time law enforcement employees having the power of arrest, employed by the City of Manitowoc, but excluding lieutenants, captains, the deputy chief, chief of police, and also excluding parking meter attendants, clerical personnel and crossing guards who do not have the power of arrest. The duration of the parties' last labor contract was from January 1, 1993,

through December 31, 1995. The parties agree that the successor agreement will have a two year duration from January 1, 1996, through December 31, 1997.

ASSOCIATION'S POSITION:

Reviewing the statutory criteria under Sec. 111.77(6), Stats., the Association the Association first notes that neither party argues that the City does not have the lawful authority to meet the Association's final offer. Nor do any of the City's exhibits or testimony indicate any legal deficiencies.

No tentative agreements were reached. In this regard the Association argues that the question of a quid pro quo in exchange for a modification in benefit levels other than what is contained immediately within the final offers is resolved, as the arbitrator cannot look to any stipulated benefit changes.

However, while the City will argue that its final offer is similar to the internal settlements, it fails to note that those other internal settlements include certain benefit and monetary improvements. Thus, the lack of stipulations by the parties here must be weighed in favor of the Association's final offer.

The Association asserts that its final offer best serves the citizens of the City of Manitowoc by recognizing the need to maintain the morale of its officers and to retain the best and most qualified officers. The morale and pride of the officers is especially important when one considers that they work side-by-side officers of other departments. Given the type of work the officers engage in, their morale is imperative. While the City's

final offer will adversely affect the officers' morale, the Association's final offer provides a fair and equitable wage increase while maintaining the status quo on all other issues.

The financial ability of the City to meet the impact of either final offer has not been raised by either party. Rather, the Association submits the City is unwilling to pay, not unable to pay, a fair wage for law enforcement services.

The Association maintains that its position is supported by the external comparables. With the exception of the City of Green Bay, the Association suggests the parties more or less agree on the list of external comparables. However, the Association disagrees with the City's list that it considers as primary comparables because that list is too meager to draw valid comparisons. In this regard the Association notes that only one of the departments from the City's "most" comparable list has settled for 1997.

With respect to the wage increase, it was stipulated at hearing that the proposed increases have been based in part on the existing COLA language contained within the contract; however, due to the timing of the proceedings, the percentages will not be affected by any CPI changes. The City's final offer lowers both the upper and lower levels if there is a COLA increase.

The Association argues that its wage proposal is more reasonable. The Association points to a ten year wage comparison for the classification of Top Patrol/Top Deputy. For 1996 and 1997 the Top Patrol Officer for the City of Manitowoc is in eighth or ninth position. The Association's final offer only serves to slow the fall of base wages when compared to the average of comparables. The City's final offer will cause the pay to

be \$2,704.92 below the average on an annualized basis. Such a disparity has not occurred over the last ten years.

While the City will argue that internal comparables should be given primary consideration, arbitral opinion and the issues involved here demonstrate that the internal settlements should be given only limited weight. The other statutory criteria must also be considered.

Given the changes in the retirement costs, the Association argues that the general employees in the internal comparable groups actually received 3.6% in 1996 and 3.3% in 1997. However, application of the City's final offer in conjunction with the savings generated by the reduction in law enforcement retirement costs produces a net effect of 2.2% for 1996 and 2.9% for 1997. If internal comparables are to be given weight, then the retirement costs must also be considered.

With respect to the benefit changes the City is proposing: (1) the City failed to show a compelling need for the change; (2) there is no comparable support for the change; (3) there is no quid pro quo demonstrated by the City; and (4) new benefits should be negotiated, not arbitrated.

The CPI supports the Association's proposal. The impact of the Association's final offer, including roll-ups, is 3.38%. The North Central Region has a percentage Index increase at or near 3 percent. However, the City's offer will fall well below the current CPI with a cost of 2.5% for 1996. Both the Cost of Living criteria and the need for catch-up suggest that the CPI criteria supports the Association's proposal.

The parties in the proceeding have provided limited exhibits regarding overall compensation for the arbitrator's consideration. The benefit levels of the patrol officers in the Manitowoc Police Department compare to their law enforcement counterparts with various degrees of accomplishment; however, no exhibit suggests that any singular benefit elevates the members of the Association to a position which might give cause to find the Association's final offer as unreasonable. Therefore, the statutory criteria of overall compensation should be given little weight.

The Association cites arbitral authority and various exhibits in support of its position. In conclusion, the Association submits that its final offer is more reasonable when the relevant statutory criteria are considered.

CITY'S POSITION:

At the outset, the City notes that its wage proposal is identical to that which has been accepted by three of the City's four other non-supervisory bargaining units. The City has a strong history of internally consistent wage settlements and there is no justification for the Association to break from that pattern. The City further points out that if either final offer were accepted, the Association employees would still fare better than two of the primary comparables of Two Rivers and Manitowoc County law enforcement employees.

The City further notes that the unreasonableness of the Association's wage offer is compounded by its refusal to accept the Preferred Provider Health Plan, as the other City bargaining units have. The City points out that the Preferred Provider plan offers financial advantages. In addition, the City has also included a Flexible Benefits Plan and an Employee Assistance Plan.

Particularly when, as here, there is a history of consistency in internal wage settlements, internal comparables should be given greatest weight. At least since 1987 there has been a strong internally consistent pattern of wage settlements among the City's seven collective bargaining units. While the Patrol officers negotiated higher wage increase in 1995 than the other units, it is noteworthy that it was at the end of a three year agreement. At that point settlements had otherwise been trending downward.

The City Hall unit settled for what the City is offering here. So too did the Public Works employees. While the Wastewater Treatment Facility employees have not settled their contract, that union proposed in its final offer for arbitration a wage increase identical to the City's wage offer to the Association here. Even the Firefighters, who are also going to arbitration, are proposing a wage increase less than the Association final offer here.

With respect to the external comparables, the City submits that the primary external comparable communities have been established to be the City of Two Rivers and Manitowoc County. Prior interest arbitration awards have clearly identified those as the primary comparables.

The City acknowledges that Sheboygan is a secondary comparable. However, the City argues that Fond du Lac should no longer be considered a secondary comparable because over the past several years it has been forced to catch up to the higher paying Fox River Valley cities.

The City agrees that if the Association can demonstrate that acceptance of the City's offer would result in significant disparities, then there would be a reason to give the Association a wage increase greater than that accepted voluntarily by the other City

bargaining units. However, the City's offer is closer to the primary comparables than the Association's offer.

The City also submits that the City of Two Rivers total compensation looks better than the base salary because of the longevity schedule. However, compensation for the County of Manitowoc is overstated because, while it takes only 42 months for a City patrol officer to reach top pay, it takes 120 months for a County of Manitowoc patrol officer to reach the top. The City further notes that since 1988 the top pay for Manitowoc County patrol officers has essentially been the same as the top pay for City police officers. Moreover, since 1988 the City patrol officer base pay has kept pace with that for the primary comparables. The City has also kept pace with Sheboygan police officer pay.

Turning to the health insurance issue, the City does not understand why the Association does not accept the Preferred Provider Health Plan. The co-pay will be less. Only the inpatient treatment for alcoholism, drug abuse, and nervous and mental disorders is more limited. However, since 1993 no employee for the entire City has reached the lower PPO limit.

In addition, while the PPO is by itself an improvement in health coverage, the City has also offered the Flexible Benefit Plan and Employee Assistance Plan. It is estimated that the savings to Association employees from the Flexible Spending Plan would save more than the one-half percent difference between the two final offers on base wages.

All other City of Manitowoc employees have accepted the PPO plan. The plan offers a win/win situation for both sides. The City would save money on the premiums and employees would improve their health care coverage. Internal comparability has

stronger significance for internal comparisons than even the percentage wage increases. As noted, all internal comparables have the PPO plan. Moreover, the two primary comparables also have a PPO plan.

The other criteria under sec. 111.77(6), Stats., do not have a significant effect on the outcome in this case.

The City suggests that the Association proposal could have made the case more difficult, if it had accepted the PPO or split its wage offer. It chose not to do so, and the City's position is all the more reasonable.

In response to the arguments of the Association, the City maintains that there is no support for the Association's claim that the other bargaining units received other benefit increases. There were a number of "housekeeping" changes; however, where additional benefits were granted, concessions were made to the City as part of the bargain to obtain those benefits. For example, with the City Hall contract, the pension contribution was increased to 6.5%, but that was a trade-off for the elimination of the workers compensation supplement provision. The City also notes that with the Public Library labor agreement, the City is now allowed to contract out bargaining unit work.

The City agrees with the Association that the morale of City employees is important. However, the City responds that, given the fact that the Association employees received an additional 1/2% in 1995 over other City employees, should the Association prevail, the morale of the other City employees would be more adversely affected. The City also notes that Association employees are paid more than most other City employees, and any percentage increase for Association employees will have a greater dollar impact.

The City disagrees with the Association's assertion that the parties have agreed to the external comparables. Rather, the City argues that only the four comparables of Manitowoc County, Two Rivers, Sheboygan, and Fond du Lac are relevant. Moreover, Manitowoc County and Two Rivers are the only two considered as primary external comparable law enforcement units. Again, with respect to the primary external comparables, Association employees have kept pace in wage levels.

The City also disagrees with the Association's argument that internal comparables are given lesser weight by arbitrators in law enforcement cases. While it is true that different arbitrators have different philosophies, historically consistent internal settlement patterns are entitled to greater weight because they are reliable predictors of what the parties would have voluntarily negotiated. Particularly when the evidence with external comparables is close, internal comparables are given greater weight.

In response to the Association contention that its wage offer is preferable because the Wisconsin Retirement Fund rates have declined recently, the City submits that historically it has simply absorbed any such increases or decreases to maintain wage equity among the City's bargaining units.

The City reiterates that its proposal to convert to the PPO plan will slow the accelerating growth of health insurance premiums while providing extra benefits for the employees. The City also notes that a number of its exhibits summarize the total compensation of Association employees as well as that of the primary comparables.

The City cites arbitral authority and exhibits in support of its position. The City concludes that its offer best reflects what the parties would have agreed to in bargaining, and it should be accepted by the arbitrator.

DISCUSSION

A. APPROPRIATE EXTERNAL COMPARABLES:

There is a dispute over the appropriate group of comparables. The Association proposes nine external comparables: Green Bay, Oshkosh, Appleton, Neenah, Menasha, Fond du Lac, Sheboygan, Manitowoc County, and Two Rivers. The City submits that Manitowoc County and Two Rivers should be considered as primary external comparables, and Sheboygan should be considered as a secondary external comparable.

The City relies on earlier interest arbitration awards involving the Police Department which address the issue of external comparables. It is helpful to review pertinent text from Arbitrator Frederick Kessler's award, City of Manitowoc (Police Department), Dec. No. 26003-A (Kessler, 10/89), at pp. 7-9:

The City and the Union are not novices when it comes to interest arbitration proceedings. They have had several prior disputes that have been resolved by arbitration. In the decisions in those cases, the question of appropriate comparable communities has been addressed and determined.

In his decision of June 20, 1980, the second of the two prior interest cases, Manitowoc Police Department Local 731, AFSCME, AFL-CIO, and the City of Manitowoc (Police Department), Case XXXIV, No. 25441, MIA-456, Decision No. 17626-A, Arbitrator Joseph Kerkman said:

"The parties to this dispute are not new to the arbitration process. Prior interest arbitration awards have been issue (sic.) by other arbitrators to settle disputes on a last offer arbitration basis pursuant to this same statute which governs the instant proceedings. In 1974 Arbitrator Hales issue (sic.) an Award settling a dispute at that time. Again on January 17, 1977, Arbitrator Haferbecker issued an Award establishing among other things the wage rate for 1976. In his January 1977 Award (Case XXVII, No. 20650, MIA-254, Decision 14793-A) Arbitrator Haferbecker in his opinion on page 6 established comparables to be considered in those proceedings. Since there is nothing in the instant record showing that the comparables as established by Arbitrator Haferbecker in his award of January, 1977, should be changed, the undersigned adopts the findings and reasoning of Arbitrator Haferbecker with respect to comparables. It is obvious that the parties to this dispute have had significant problems in coming to terms over collective bargaining agreements in the past, since this is the third interest arbitration in which they have engaged. The undersigned is of the opinion that the maintenance of comparables that the parties should consider during the course of their bargaining and in arbitration should remain consistent in the hope that the parties will be able in the future to arrive at a voluntary collective bargaining settlement.

Given the conclusions set forth in the preceding paragraph, it follows that the comparables established by Arbitrator Haferbecker should be applied in the instant dispute.

In proceedings in an arbitration forum, prior decisions relating to a selection of comparables communities or service agencies should be recognized and respected. Prior comparables should be disregarded only if they are patently inappropriate, if the factual basis underlying the previous determination has now substantially changed; or if the community or agency previously identified as a comparable unit is itself involved in an interest arbitration, and thereby is unable to offer any data. A determination of comparable communities or law enforcement agencies, for a particular bargaining unit it should be respected unless substantial changes in the relevant demographics, the crime rate, or the surrounding economic circumstances has occurred.

Under those awards it was determined that Two Rivers and the County of Manitowoc were primary comparables and Sheboygan and Fond du Lac were secondary comparables for the City of Manitowoc Police Department. The reasoning by those previous arbitrators continues to be valid today. The comparables should remain consistent in order to foster a climate of bargaining which leads to voluntary agreements. Prior decisions which determine the external comparable group should be respected. While the Association submits that the appropriate external comparables should include a number of additional cities, it has not proffered a rationale for such an extensive change from the long-established group of external comparables.

The City also suggests that Fond du Lac should no longer be considered as even a secondary comparable because it is more closely aligned with the higher paying municipalities in the Fox River Valley; moreover, Fond du Lac has over the last several

years been working to catch-up in pay to other Fox River law enforcement units. Nonetheless, I still find it acceptable to include Fond du Lac. It has long been included as a secondary comparable. It also adds some breadth to the external comparable grouping. In addition, it has a relatively similar population base as the City of Manitowoc, and it is only approximately 54 miles distant. Moreover, as a second level comparable, it does not carry as great of a weight as the two primary comparables. I therefore find that the City's arguments on deleting Fond du Lac from the group to relate more to the particular weight to be given Fond du Lac in its secondary capacity. Accordingly, the external comparables remain: the County of Manitowoc and Two Rivers as primary comparables and Sheboygan and Fond du Lac as secondary comparables.

A. WAGES:

The Association proposes a 4% increase for 1996 and a 4% increase for 1997. The City proposes a 3.0% increase for 1996 and a 3.5% increase for 1997.

1. INTERNAL COMPARABLES:

Over the past several years the City's represented employees as well as non-represented employees have historically negotiated or received nearly identical across-the-board wage increases. For example, in 1990 all employees in the City received a 4% increase. In 1991 all employees received a 5% increase, except the Association bargaining unit employees who received an additional 1% for a health insurance deductible reimbursement buy out. Police supervisors received 8% in 1991 (the Sheriff received 9%). In 1992 all employees received 4%, except Department of Public Works (DPW)

employees who agreed to 4.5%. In 1993 all employees received 4%, except DPW employees who agreed to 3.5%. In 1994 all employees received 4%, except the DPW who agreed to 3.5 %. In 1995 all employees received a 3.5% increase, except the Association employees and Police Supervisors who received 4%. The Waste Water Treatment Facility (WWTF) employees are in a pending interest arbitration proceeding, where both final offers include a 3.5% increase for 1995.

For 1996 and 1997, the two years involved in the interest arbitration dispute here, other City employees are receiving the following increases. In 1996 City Hall employees took a 3% increase plus 16 cents per hour as part of a health insurance deductible reimbursement buy out. DPW employees received 3% and WWTF employees have proposed 3% in its final offer for the pending interest arbitration proceeding (the same increase as the City proposes). The Firefighters have a final offer of 3.5% for a pending interest arbitration proceeding, while the City has a 3% offer. Non-represented employees received 3% for 1996. For 1997 City Hall and DPW employees received 3.5% and the WWTF employees are proposing a 3.5% increase in its pending interest arbitration proceeding (the same as the City has proposed). The Firefighters propose a 4% increase in 1997 for its pending interest arbitration proceeding while the City proposes a 3.5% increase.

Except for a few deviations, employees throughout the City have historically received identical across-the-board increases. For the two years in dispute here, other than the Firefighters, the percentage increase is 3% for 1996 and 3.5% for 1997 for units

that have settled or are in arbitration. Given such nearly uniform data, the internal comparables support the City's across-the-board wage increases for both 1996 and 1997.

2. EXTERNAL COMPARABLES:

For 1996 Manitowoc County has a 3% increase, while Two Rivers, Sheboygan, and Fond du Lac all have a 2% - 2% split. For 1997 Manitowoc County has a 3.75% increase, Sheboygan has a 2% - 2% split, and Fond du Lac has 3%. Two Rivers is in arbitration for 1997 with the City offering 2.5% and the Union proposing 4%.

Such data is somewhat mixed. For example, for 1996 one primary comparable favors the City, while the other primary comparable and the two secondary comparables favor the City in cost but the Association in lift. For 1997 one primary comparable has an across-the-board increase midway between the two offers here, while the other primary comparable is not especially useful because it is in arbitration. One secondary comparable favors the City in cost but the Association in lift. The other secondary comparable mirrors the City's final offer for 1997.

With such external data, it is particularly useful to review how the external comparable employees have historically been paid as compared to the employees here. For the years 1990 through 1993 the Association's Top Patrol monthly pay was nearly identical to primary comparable Manitowoc County's Top Deputy pay, and it was above primary comparable Two River's Top Patrol pay. Association's Top Patrol monthly pay was below secondary comparables Fond du Lac's and Sheboygan's Top Patrol pay. In 1994 and 1995 Two Rivers continued to be below the Association's Top Patrol monthly pay, while Fond du Lac and Sheboygan continued to be above. However, Manitowoc

County moved ahead of the Association's Top Patrol monthly pay for 1994 and 1995 by about \$90.

For 1996 under either final offer the rankings would remain the same, though under the Association's proposal the monthly difference between Manitowoc County and the Association would decrease to approximately \$69 while under the City's final offer it would increase slightly to \$94. For 1997 the rankings would remain approximately the same. Under the Association's final offer the monthly difference with Manitowoc County would decrease to approximately \$62, while under the City's final offer the difference would increase to \$104.

With respect to Manitowoc County the City submits that the County previously had Deputy pay topping out after 60 months but a few years ago it added an additional ten year step. The City notes that only four Manitowoc County Deputies have reached the ten year step. Moreover, the City argues that total compensation under the City's offer would remain virtually equal to the County's when such things as shift premium, longevity, and various benefits are included.

I believe that it is worthwhile to consider the entire pay schedule between comparables, regardless of whether at a given point in time only a relatively small number of employees have reached the top level. The pay schedule has been agreed to by the parties and presumably will continue with the employees continuing to move through the steps. However, I agree with the City that it is important to consider total pay, including shift premium, longevity, and other benefits. When such other payments are considered, then the difference between Manitowoc County and the City's final offer does decrease.

When considering the historical relationship among the external comparables, total compensation, and that Manitowoc County (a primary comparable) has a 1996 wage increase identical to the City's 1996 offer, I find that the external comparables favor the City's across-the-board wage proposal.

3. ACROSS-THE-BOARD WAGE PROPOSALS IN SUMMARY:

Given my findings that the internal comparables strongly favor the City's final offer and that the external comparables also support the City's final offer, I have determined that the City's across-the-board wage proposal is more reasonable.

B. C.O.L.A. CHANGES:

The City proposes dropping down the floor to 3.5% (from 4.0%) and the ceiling to 6.0% (from 9.0%). The Association states in its post-hearing brief: "It was stipulated at hearing that these increases have been based in part on the existing C.O.L.A. language contained within the contract, however, due to the timing of these proceedings the percentages will not be affected by any CPI changes." It is thus clear that such a change will not substantially weight the overall decision. Nonetheless, the generally low C.P.I. over the last few years would somewhat favor the City's proposed change.

C. INSURANCE ISSUES:

1. PPO PLAN:

The City is proposing changing the health plan to the WPS Preferred Provider Plan (PPO), while the Association would retain the current plan. The City argues that the health benefits under the PPO plan are essentially as good or better than the current health

plan along with a lower co-pay; moreover, all the other employees in the City now have the PPO Plan. In addition, the City notes that the two primary comparables have a PPO plan. The Association responds that there was no demonstrated need for the change; there is no comparable support for the change; there is no quid pro quo; and new benefits should be negotiated, not arbitrated.

While the City claims the PPO plan is an overall improvement in the health insurance benefit, as many arbitrators have stated, unless exceptional circumstances prevail, a fundamental change in an existing benefit should be negotiated voluntarily, not imposed by an arbitrator. That the other City units have this PPO plan and that there may be some cost savings to one or both parties does not, without more, demonstrate particular exceptional circumstances that overcome the strong principal of allowing the parties to voluntarily negotiate a change in health insurance plans. I therefore find in favor of the Association's proposal to keep the status quo on health insurance.

2. FLEXIBLE SPENDING PLAN:

The City is proposing a new Sec. 125 Flexible Benefits Plan as part of its final offer. Under such a plan, various insurance premiums, medical expenses, and child care expenses are reduced because those expenses are deducted off of an employee's gross pay. The City estimates the average employee will save \$23.75 per month in taxes (see City exhibit 3-14). The net impact will thus improve the overall compensation for the Association employees.

The City also benefits because the deductions are pre-FICA, so the City's FICA payments are reduced. The proposal clearly benefits both sides with no appreciable negative impact. I therefore find in favor of the City on this issue.

3. EAP PROPOSAL:

The City is proposing a new Employee Assistance Plan, which the City describes as the most expensive EAP plan offered by that particular medical facility. Under the plan an employee can, at no cost, meet with a health care professional to deal with various personal problems. The employees clearly benefit; however, the City also benefits under the EAP program when an employee might better deal with a personal problem that could otherwise affect job performance. For such reasons, I find in favor of the City on the EAP proposal.

CONCLUSION:

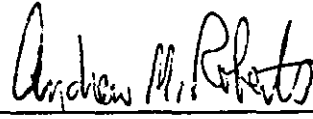
I have found in favor of the City's final offer on each proposal (except for the change to the PPO plan). On balance, the record supports the City's final offer. Given such findings and after consideration of the statutory criteria, the City's final offer is determined to be more reasonable.

Based upon the foregoing, the undersigned makes the following

AWARD

That the parties' 1996-1997 collective bargaining agreement contain the final offer
of the City.

Dated at Madison, Wisconsin, this 26th day of March, 1997.



Andrew M. Roberts
Arbitrator

LAW

ENFORCEMENT

EMPLOYEE

RELATIONS



DIVISION

VISCONSIN

PROFESSIONAL

POLICE

ASSOCIATION

9730 WEST BLUEMOUND ROAD
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April 17, 1996

Mr. Richard B. McLaughlin
Investigator
Wisconsin Employment Relations Commission
14 Mifflin St. P.O. Box 7870
Madison, WI 53707-7870

RECEIVED
APR 18 1996
WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

RE: City of Manitowoc (Police Department) Case
124 No. 53617 MIA-2041

Dear Mr. McLaughlin:

Please be advised that the Association's final offer in the above case is as follows;

1. All terms and conditions of the 1993 - 1995 Collective Bargaining Agreement to remain status quo except for the following;
 - A. Term; 2 years 1996 - 1997
 - B. Wages: Appendix A of the 1993/1995 Collective Bargaining Agreement be changed to reflect Date and Year changes from 1994 and 1995 to 1996 and 1997 (see attached).

Sincerely,

Robert Pechanach
Business Agent
W.P.A.V.E.E.R.
enclosure

cc: Mr. Pat Willis, City Attorney
Joan Waskow, Association Representative

APPENDIX A

18 1996
WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

APPENDIX A

Salaries and wages for the period covered under this contract will be as follows:

RANK	PER MONTH EFFECTIVE JANUARY 1, 1995
Detective Sergeant	\$3,077.00
Police Sergeant	2,914.00
Police Detective	2,914.00
Juvenile officer	2,914.00
Patrol Officer	
Start	2,261.00
After 6 months	2,505.00
After 18 months	2,574.00
After 30 months	2,640.00
After 42 months	2,701.00
Dispatcher	
Start	1,709.00
After 6 months	1,782.00
After 12 months	1,856.00
After 18 months	1,927.00

Notwithstanding the above pay rates, effective January 1, following the date on which any detective has obtained ten (10) years in grade as a detective, such detective shall receive the pay rate of a police lieutenant. For Purposes of this paragraph, a juvenile officer shall be considered a detective.

Notwithstanding the above pay rates, the pay rate of the Detective Sergeant shall be established at \$50 per month more than a Detective with ten years in grade as a detective.

Effective January 1, 1996 and January 1, 1997 the monthly salary rates will be adjusted to reflect increases in the Consumer Price Index - NATIONAL for Urban Wage Earners and Clerical Workers, All Items, published by the United States Department of Labor, Bureau of Labor Statistics (CPI-W, 1982-84=100) as follows:

1. Effective January 1, 1996, each 1995 monthly salary rate will be increased by 80% of the percent increase in the CPI-W from the October, 1995 index number over the October, 1994 number.

2. In no event shall the increase granted effective January 1, 1996, be less than 4.0% nor more than 9.0% of the hourly wage rate in effect on December 31, 1995.

3. Effective January 1, 1997 each 1996 monthly salary rate will be increased by 80% of the percent increase in the CPI-W from the October, 1996 index number over the October, 1995 number.

4. In no event shall the increase granted effective January 1, 1997, be less than 4.0% nor more than 9.0% of the hourly wage rate in effect on December 31, 1996.

5. The monthly salary rates shall be rounded off to the nearest whole dollar; \$.01 to \$.49, the cents are dropped; \$.50 to \$.99, the next higher whole dollar.

6. The parties mutually agree that the reference in the above formula to 80% of the increase in the CPI is accepted by the parties as a percentage to be maintained during the multi-year contracts and not as a percentage which will be altered upwards or downwards in future years. The purpose of the 80% formula is to protect employees against unanticipated increases in inflation while protecting the employer against any upward bias the Consumer Price Index may have as an inaccurate indicator of actual inflation. The foregoing is not a waiver.

June 18, 1996

JUN 21 1996

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION


MANITOWOC
CITY OF MANITOWOC,
WISCONSIN, USA

Mr. Richard McLaughlin
WERC
P.O. Box 7870
Madison, WI 53707-7870

Re: City of Manitowoc (Police Department) Case
124 No. 53617 MIA-2041

Dear Mr. McLaughlin:

The City's final offer in the above matter is as follows:

1. Duration. Two years, 1996-1997.

2. Insurance. Effective January 1, 1997, or the first day of the first month after the arbitrator's decision, whichever occurs later, amend Article XX, Section 1 and Section 2 to read as follows:

"Section 1. Hospital and Surgical Insurance.
The Employer agrees to pay one hundred percent (100%) of the insurance premium for employees having single plan coverage and ninety-five percent (95%) of the insurance premium for employees having family plan coverage. The Plan will be as described in the "Employee Benefit Plan" booklet prepared for the City of Manitowoc by BMS Administrative Service, Inc. for 1996 with the exception that the following benefit shall be added: charges made for dental extraction and for the initial replacement of natural teeth. in the plan document provided to the Employer and as summarized in the WPS Preferred Provider Plan, effective 1-1-96.

Section 2. Carrier. The Employer reserves the right to change the carrier of the insurance any time, but at no time will the Employer approve a carrier which reduces benefits to the employee. at any time, and to fund the insurance through either a fully insured or self-funded plan, provided that at no time will the Employer approve a carrier which reduces any benefits to the Employee. This provision shall not prevent the Employer from selecting a carrier which has a different list of preferred providers.

OFFICE OF CITY ATTORNEY

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City Attorney

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APPENDIX E

WISCONSIN'S MARITIME CAPITOL



If the Employer elects to fund the insurance through a self-funded plan, the Employer agrees to make a good faith effort to set premium rates to reflect anticipated usage under the plan.

3. Effective January 1, 1997, or the first day of the first month after the arbitrator's decision, whichever occurs later, create a new Article XX, Section 9 to read as follows:

"Section 3. Flexible Benefits Plan. The Employer shall institute a flexible benefits plan for members of the bargaining unit as permitted by §125 of the Internal Revenue Code. All employees shall automatically be deemed to participate in the plan to the extent of an employee contribution to health insurance. There shall be no administrative expense to the employee for employees who elect only to qualify their contribution to health insurance premiums or those employees who elect to set aside an additional \$300 or more for eligible §125 expenses in any calendar year. Employees who elect to set aside amounts in addition to their contribution to health insurance premiums in an amount of less than \$300 in any calendar year shall be required to pay 50% of the administrative cost to the City of the employee's participation in such plan.

The initial plan administrator shall be Valley Trust Company (now Marshall & Ilsley Trust Company). The City shall have authority to change the plan administrator to any substantially equivalent administrator which does not result in any additional administrative costs to an employee at the time of such change."

4. Effective January 1, 1997, or the first day of the first month after the arbitrator's decision, whichever occurs later, create a new Article XX, Section 10 to read as follows:

"Section 10. Employee Assistance Plan. The Employer shall institute an Employee Assistance Plan for members of the bargaining unit. The terms of the initial Employee Assistance Plan shall be as described in the HFMMC Employee Assistance Program.

The Employer reserves the right to change the provider of EAP services at any time. The Employer also retains the right to unilaterally change the level of benefits provided in the EAP in the event they are no longer available from the current provider, or in the event the cost of providing the then existing level of benefits for any year exceeds the cost of providing such benefits during the previous year by a percentage greater than the percentage wage increase in such year."

5. Salaries. Amend Appendix A to read as follows:

" APPENDIX A

Salaries and wages for the period covered under this contract

<u>RANK</u>	<u>PER MONTH EFFECTIVE</u>	
	<u>JANUARY 1, 1993</u>	<u>1996</u>
Detective Sergeant	\$2,845.00	\$3,294.00
Police Sergeant	2,694.00	3,001.00
Police Detective	2,694.00	3,001.00
Juvenile Officer	2,694.00	3,001.00
Patrol Officer		
Start	2,000.00	2,329.00
After 6 months	2,316.00	2,580.00
After 18 months	2,380.00	2,651.00
After 30 months	2,441.00	2,720.00
After 42 months	2,497.00	2,782.00
Dispatcher		
Start	1,580.00	1,760.00
After 6 months	1,648.00	1,836.00
After 12 months	1,716.00	1,912.00
After 18 months	1,782.00	1,985.00

Notwithstanding the above pay rates, effective January 1, following the date on which any detective has obtained ten (10) years in grade as a detective, such detective shall receive the pay rate of a police lieutenant. For purposes of this paragraph, a juvenile officer shall be considered a detective.

Notwithstanding the above pay rates, the pay rate of the Detective Sergeant shall be established at \$50 per month more than a Detective with ten years in grade as a detective.

Effective January 1, ~~1994 and January 1, 1995~~ 1997 the monthly salary rates will be adjusted to reflect increases in the Consumer Price Index - NATIONAL for

Urban Wage Earners and Clerical Workers, All Items, published by the United States Department of Labor, Bureau of Labor Statistics (CPI-W, 1982-84=100) as follows:

1. Effective January 1, ~~1994~~ 1997, each ~~1993~~ 1996 monthly salary rate will be increased by 80% of the percent increase in the CPI-W from the October, ~~1993~~ 1996 index number over the October, ~~1992~~ 1995 number.

2. In no event shall the increase granted effective January 1, 1994, be less than 4.0% ~~3.5%~~ nor more than ~~9.0%~~ 6.0% of the hourly wage rate in effect on December 31, ~~1993~~ 1996.

~~3. Effective January 1, 1995 each 1994 monthly salary rate will be increased by 80% of the percent increase in the CPI-W from the October, 1994 index number over the October, 1993 number.~~

~~4. In no event shall the increase granted effective January 1, 1995, be less than 4.0% nor more than 9.0% of the hourly wage rate in effect on December 31, 1994.~~

3. The monthly salary rates shall be rounded off to the nearest whole dollar; \$.01 to \$.49, the cents are dropped; \$.50 to \$.99, the next higher whole dollar.

4. The parties mutually agree that the reference in the above formula to 80% of the increase in the CPI is accepted by the parties as a percentage to be maintained during the multi-year contracts and not as a percentage which will be altered upwards or downwards in future years. The purpose of the 80% formula is to protect employees against unanticipated increases in inflation while protecting the employer against any upward bias the Consumer Price Index may have as an inaccurate indicator of actual inflation. The foregoing is not a waiver.

Very truly yours,

Patrick L. Willis
City Attorney

PLW:es

cc: Robert Pechanach
Police Chief Richard Brey
Aldersperson Tom Musial