

“RULES OF THE ROAD”
INTEREST ARBITRATION LESSONS LEARNED
March 27, 2017

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I. INTRODUCTION

- a. 40 Years’ Perspective.
- b. Pendulum Swinging: Right/Left/Right.

II. PUBLIC SECTOR COLLECTIVE BARGAINING

- a. Dispute Resolution: An experiment that had both success and failure: No strikes, but at a price.
- b. Act 10.
 - 1. Punish Enemies – Public employers get a “do over”.
 - 2. Reward Friends – Public safety unions exempt.

III. PUBLIC SAFETY DISPUTE RESOLUTION

- a. Bargaining.
- b. Mediation/Investigation.
- c. Final-Offer Arbitration (unless conventional Arbitration agreed upon by both parties).
- d. Statutory Factors:
 - 1. Greater weight than all others: local economic conditions.
 - 2. Lawful authority.
 - 3. Stipulations.
 - 4. Interests and welfare of the public/ability to pay.
 - 5. Comparisons in public and private employment in comparable communities.
 - 6. CPI.

7. Overall compensation.
8. Changes during the proceedings.
9. Other factors normally or traditionally taken into account.

IV. GENERAL PRINCIPLES OF INTEREST ARBITRATION

- a. Inherent Power of Status Quo - The party proposing a change has the burden of proof. Arbitrators typically subject the moving party to these three tests:
 1. Prove a need for the change;
 2. Prove your proposed change solves the problem or meets the need;
 3. Provide a quid pro quo.
- b. When a certain benefit, practice or working condition becomes commonplace, arbitrators may “discount” the quid pro quo needed to secure the proposed change.
- c. Power of Comparables – Arbitrators rely on the practice found in your external “comparables” because there is a presumption of reasonableness since other similar parties agreed to the disputed issue. It also makes the arbitrator’s decision easier to make and provides justification. Internal comparability of similarly-situated employee groups is often given decisive weight.
- d. Budget shortfalls and financial constraints are not usually decisive unless they can be distinguished from your comparables. Ability to pay is nearly impossible to prove.
- e. “Catch-up” is difficult for unions to prove since arbitrators are unlikely to want to revisit and “second guess” previous settlements that were voluntarily made. “Relative rank” over time is defensible. Someone has to be last.
- f. If you want to settle low, complete the bargaining and arbitration process before the settlement trend is established among your comparables.
- g. Settlements made in a different economic environment may be discounted or ignored.
- h. Of the nine statutory factors arbitrators must use in selecting a final offer, the most important from a practical matter is comparability. While an arbitrator is directed by the statute to give “greater weight” to local economic conditions than the other factors, it is difficult to apply and rarely decisive.
- i. Different arbitrators will produce different results ruling on the same case.
- j. Close case goes to the union.

- k. Some arbitrators determine “cost-of-living” not by the Consumer Price Index but rather settlements among external comparables.

V. LESSONS LEARNED SINCE ACT 10 (2011)

- a. Arbitrators generally do not compare organized employees to non-organized, general employees.
- b. Employers have been the moving party seeking union concessions on employee contributions to health insurance and WRS. Employers have fared well when providing a quid pro quo on par with the comparables.
- c. Arbitrators have difficulty deciding if a quid pro quo is sufficient to support the proposed change.
- d. Wages, health insurance contribution and WRS contribution are the most commonly arbitrated issues. WRS is becoming less of an issue since most employers now require employee contributions.
- e. Employers have tremendous power in designing health insurance plans. The only topic subject to bargaining is the employer/employee contribution to the premium. All other aspects, including plan design, HSA contributions, “opt-out” payments, carriers, etc. are prohibited subjects of bargaining.
- f. Voluntary settlements have been the norm. There have been very few arbitration cases since Act 10 passed in 2011.

**SUMMARY OF
INTEREST ARBITRATORS' AWARDS
SINCE ACT 10**

March 27, 2017
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Since the major upheaval of Act 10, interest arbitration is still available to resolve collective bargaining disputes involving public safety employees. Public employers have struggled to balance the “two class” system of general versus public safety employees that was created by Act 10 six years ago.

Surprisingly there have been relatively few interest arbitration awards involving police, firefighters and deputy sheriffs. A summary of the 23 arbitration awards issues since Act 10 was implemented appears below. Readers are encouraged to read the entire award for a complete understanding of each case. They are available on the Wisconsin Employment Relations Commission’s website: werc.wi.gov.

A. <u>Oconto County (Deputies), (Dec. No. 33283-A, Mawhinney, 11/14/11)</u>			
	<u>Issue</u>	<u>County</u>	<u>Union</u> ←
1.	Wages 2011 2012	0.00% ---	Jan/July 1.0%/1.0% Jan/July 1.0%/1.0%
2.	WRS: Employee Contribution	Full	None

Arbitrator Karen Mawhinney selected the union’s offer and was critical of the lack of quid pro quo for the WRS concession sought by the county. She categorically rejected the argument that the internal comparables justified requiring deputies to contribute to WRS under the County’s offer.

B. <u>City of Mequon (Police), Dec. No. 33818-A, Hempe, 11/15/12)</u>			
	<u>Issue</u>	<u>City</u> ←	<u>Union</u>
1.	Duration	2 years	3 years
2.	Wages 2012 Jan/July	1.0%/1.0%	1.5%/1.5%

	2013 Jan/July	2.0%/2.0%	1.25%/1.25%
	2014 Jan/July	-- / --	1.25%/1.25%
3.	WRS: Employee Contribution		
	2012	3.0%	2.0%
	2013	5.9% (Full)	4.0%
	2014	---	5.9%
4.	Health Insurance: Employee Contribution		
	2012	9.0%	6.0%
	2013	12.0%	9.0%
	2014	---	12.0%

Arbitrator Henry Hempe selected the city's offer for several reasons:

1. The union's health insurance contribution rate of 94% exceeded the external comparables.
2. The union's 5.9% WRS cap was a "minor windfall for the union that would serve merely to prolong the benefit disparity between the police and the general municipals without providing the police officers with a meaningful financial gain."
3. The three year duration clause was not supported by the external comparables where only 5 of 18 (or 19) had settled for 2014.
4. The city provided a quid pro quo that was "a reasonable attempt to deal with the inequity" between police officers and general employees.

C. <u>Sauk County (Deputies)</u> , (Dec. No. 33811-A, Flaten, 12/12)			
	<u>Issue</u>	<u>County</u> ←	<u>Union</u>
1.	Wages		
	2012	2.0%	Jan/July 2.0%/1.0%
	2013	2.0%	Jan/July 2.0%/1.0%
	2014	---	Jan/July 2.0%/2.0%
2.	WRS: Employee Contribution		
		7/1/12 2.0%	1/2/12 1.0%
			7/1/12 2.0%
		7/1/13 4.0%	1/1/13 3.0%

			7/1/13 4.0%
			1/1/14 5.0%
			7/1/14 6.0%

Arbitrator Milo Flaten selected the county’s final offer in a very cryptic decision which did not provide a detailed rationale or analysis.

<u>D. Village of River Hills (Police), (Dec. No. 33857-A, Torosian, 11/16/12) Fact Finding Recommendations</u>			
	<u>Issue</u>	<u>Village</u>	<u>Union</u> ←
1.	Wages 2010 2011 2012	0.00% 0.00% 0.00%	0.0% Dec. 31 2.0% Jan/July 1.0%/1.0%
2.	Health Insurance: Employee Contribution	Additional 4.5% to a total of 12%	---
	WRS: Employee Contribution	5.9%	---

Interest arbitration for public safety employees is not available if the municipality has a population of less than 2,500. (See § 111.70(8)(b), Wis. Stats.). This is not a new provision in the law. Fact-finding is similar to interest arbitration with one major fundamental difference: the neutral fact-finder issues non-binding recommendations to both parties on the disputed issues as a way to resolve the dispute. The parties are free to accept or reject the fact-finder’s recommendations.

Fact-finder Herman Torosian recommended the union’s wage offer based on the greater weight given to external comparables over the internal comparables’ wage freeze which was proposed by the village.

<u>E. Town of Rome (Police), (Dec. No. 32260-A, McAlpin, 12/14/12)</u>			
	<u>Issue</u>	<u>Town</u>	<u>Union</u> ←
1.	Wages 2011	0.0%	0.0%

	2012	3.0%	2.0%
	2013	3.0%	2.0%
2.	Health Insurance: Employee Contribution	12%	10% (status quo)
3.	WRS: Employee Contribution 1/1/13	6.65% (full)	0%

Arbitrator Raymond McAlpin selected the Union’s offer even noting the trend among external comparables to require a WRS contribution. He concluded that the use of internal comparables was “questionable in this matter at best.” The Arbitrator believed the change in the status quo was significant and the Town had failed to provide enough of a quid pro quo to justify its proposal.

F. <i>La Crosse County (Deputies)</i> , (Dec. No. 33888-A, Karen J. Mawhinney, 12/26/12)			
	<u>Issue</u>	<u>County</u>	<u>Union</u> ←
1.	Wages 2012 2013	0% 2%	1% 1%
2.	WRS – Employee Contribution 2013	5.9%	0%
3.	Health/Dental Insurance	Dollar Amounts	Percentages

Arbitrator Mawhinney selected the union’s offer under her belief that the county’s offer lacked a sufficient quid pro quo and that there was a lack of sufficient external comparable support of the county’s offer. She found that while internal comparables strongly supported the county, it did not carry as much weight as it had in the past.

G. <i>Dodge County (Deputies)</i> , (Dec. No. 33914-A, Gil Vernon, 1/28/13)			
	<u>Issue</u>	<u>County</u>	<u>Union</u> ←
1.	Wages 2012	0% no step	0.5% with step

	2013	1%	2.25%
2.	Health Insurance 2013	94%	97%

Arbitrator Vernon selected the union’s offer giving primary weight to wage level changes measured by percentage increases as opposed to relative wage levels. The step freeze in the county’s offer was viewed negatively by the Arbitrator. Internal comparables were viewed with skepticism since “...their bargaining rights are so neutered compared to public safety units that comparisons are at least as tenuous as they were pre-Act 10,” as stated by Arbitrator Vernon in his award.

H. <u>Douglas County (Deputies)</u> , (Dec. No. 33350-A, Sinclair Kossoff, 1/30/12)			
	<u>Issue</u>	<u>County</u> ←	<u>Union</u>
1.	Wages		
	2011	0%	07/01/11 1% 12/31/11 1%
	2012	1%	07/01/12 1% 12/31/12 1%

Arbitrator Kossoff selected the county’s offer giving determinative weight to the internal settlement pattern even though the settlements occurred prior to the effective date of Act 10.

I. <u>Village of Greendale (Fire Dept.)</u> , (Dec. No. 33924-A, William Strycker, 3/27/13)			
	<u>Issue</u>	<u>Village</u> ←	<u>Union</u>
1.	Duration	2 years	3 years
2.	Wages		
	2011	1%	1%
	2012	0%	0%
	2013	---	1/01/13 2%

			7/01/13 2%
3.	Health Insurance 2011 2012	93% of lowest cost of HMO 88% of plan selected by employee	Same Full cost not to exceed 88% of lowest HMO
4.	WRS (Employee Share)	Village will pay up to 8% of employee's share	Same 01/01/13-Employee pays 2%
5.	Holidays	Add 1 floating holiday	Add Dr. Martin Luther King Day
6.	Haz-Mat Pay	\$200/year	\$75/year

Arbitrator Strycker selected the village's offer largely due to the internal comparables, noting that protective service comparisons should be given greater weight than general employees. The Arbitrator also preferred the two year duration of the village to "maintain flexibility in order to effectively manage finances."

J. <u>City of Oshkosh (Police)</u> , (Dec. No. 33976-A, Sharon A. Gallagher, 6/6/13)			
	<u>Issue</u>	<u>City</u>	<u>Union</u> ←
1.	WRS (Employee Contribution)	11/01/12 3% 01/01/13 Full	11/01/12 3.0% 01/01/13 4.5% 01/01/14 Full

Both parties had agreed to wage increases of 2.0% on 01/01/12 and .5% on 11/01/12 and 2.5% in 2013 and 2014. Both parties also agreed to increase the employee's contribution on health insurance from 7% to 11% in 2012 and 12% in 2013 for employees undertaking the health assessment and from 10% to 14% in 2012 and 15% in 2013 for those who do not.

Despite the presence of internal transit employee and firefighter settlements that were essentially the same on wages, health insurance and WRS as stated in the city's offer, Arbitrator Gallagher

minimized this strong internal settlement pattern and selected the union’s offer due to her belief that the city’s offer lacked a sufficient quid pro quo.

K. <u>Washington County (Deputy Sheriffs)</u> , (Dec. No. 34039-A, Dennis P. McGilligan, 7/19/13)			
	<u>Issue</u>	<u>County</u>	<u>Union</u> ←
1.	Wages 1/01/12 1/01/13	0% 2%	2% ---
2.	WRS (Employee Contribution) 2012 2013	0% 2%	0% ---
3.	Duration	2 years (2012/2013)	1 year (2012)
4.	Health Insurance	Dollar amount reflecting 85%	No offer

Arbitrator McGilligan focused on wages and WRS to decide this case. He found that the ability to pay and CPI factors favored the union’s offer. Using a three year analysis which included a wage freeze accepted by the union in 2010, the Arbitrator found strong support in the external comparables for the union’s 2% wage increase in 2012. The external WRS comparables and internal comparables favored the county. The Arbitrator selected the union’s offer.

L. <u>City of Green Bay (Police)</u> , Dec. No. 34067-A, Sherwood Malamud, 11/13/13)			
	<u>Issue</u>	<u>City</u> ←	<u>Union</u>
1.	Duration	4 years	2 years
2.	Wages	2012 0% 2013 0% 8/24/14 2% 2/22/15 4%	1/1/12 1.61% 1/1/13 .33% 4/1/13 1.53% 7/1/13 .29% 12/30/13 2.89%

3.	WRS (Employee Contribution)	6/30/13 Full	1/1/12 1.61% 1/1/13 1.94% 4/01/13 3.47% 7/01/13 6.65%
4.	Health Insurance (Employee Contribution)	15% less 2.5% wellness incentive	Same as City except cap employee contribution

The Arbitrator favored the union’s offer on the local economic conditions factor. The city’s final offer was based on the voluntary settlement it achieved with the firefighters and received strong support for the city’s offer. External comparables strongly favored the union’s offer.

What tipped the scale to favor the city’s offer was the union’s proposal to cap the WRS contribution at 6.65%. Finding no support in the comparables for the cap, the Arbitrator selected a “seriously flawed city offer.”

In a rare move, the Union appealed the decision to circuit court. The circuit court judge upheld the Arbitrator’s award. *Green Bay Professional Police Assn. v. City of Green Bay*, Brown County Circuit Court, 13-CV-1940, Judge Tammy Jo Hock, 10/7/14.

<u>M. City of New Berlin (Police), (Dec. No. 34204-A, Paul Gordon, 12/26/13)</u>			
	<u>Issue</u>	<u>City</u>	<u>Union</u> ←
1.	Wages	12/31/12 1% 12/31/13 1%	1/01/12 0% 1/01/13 1.5% 1/01/14 1.5%
2.	Duration	2 yeas	3 years
3.	Health Contribution (Employee Share)	1/01/13 15%	1/01/13 12%
4.	WRS (Employee Share)	12/31/13 Fully paid by employee.	1/01/13 1.5% 1/01/14 3.0%

The internal firefighter settlement “slightly” favored the city’s offer. External comparables favored the city’s maintaining its high wage rankings. Ultimately, when the WRS contribution and wage increases were combined, the external comparability factor favored the union’s offer.

The Arbitrator was critical of the city’s lack of quid pro quo in seeking full WRS payment by employees without a gradual phase-in. The greater weight, local economic conditions factor, favored the union’s offer. The union’s offer was selected.

N. <i>City of Rice Lake (Police)</i> , (Dec. No. 34680-A, Sherwood Malamud, 10/2/14)			
	<u>Issue</u>	<u>City</u>	<u>Union</u> ←
1.	Wages	1% upon award (effectively no increase)	8/17/13 3.5% ---
2.	WRS (Employee Contribution)	50% upon award (effectively eliminating this contribution)	8/17/13 50%

Tentative Agreements:

1. Wages: 2014: 1%/1% split Jan./July
 2015: 1%/1% split Jan./July
2. WRS: 100% of employee’s share of WRS up to 6.65% in 2014 and 2015
 (City pays .35% in 2015)
3. Health Insurance: City pays 100% of premium.

The fire union reached a voluntary agreement on 8/17/13 with a 1% wage increase in 2013 and 50% of employee’s share of WRS.

While the local economic conditions factor favored the city’s position, the Arbitrator turned to the other factors to evaluate the offers. External comparables supported the union’s offer.

The union’s offer included a 2.5% “catch-up” increase to bridge the wage gap that developed from a previous arbitration award. While dismissing the union’s claim for “catch-up,” the Arbitrator found that the city’s final offer was inconsistent with the fire settlement. Specifically, the city would contribute the full police employee’s share of WRS in 2013 while the firefighters paid one-half of the employee’s share beginning August 17, 2013. While the 5% wage lift proposed by the city matched the wage lift of the firefighters, the WRS discrepancy caused the Arbitrator to find that the union’s offer best reflected the internal settlement.

The union’s offer was selected due to the “peculiar effective date” that “impacted the internal comparability criterion to the detriment of the city’s offer.”

O. <i>City of Cudahy (Police)</i> , (Dec. No. 34946-A, Andrew M. Roberts, 10/6/14)			
	<u>Issue</u>	<u>City</u> ←	<u>Union</u>
1.	Wages		
	2014	2%	Jan/July 2.0%/1.0%
	2015	2%	Jan/July 2.0%/1.0%

Tentative Agreements:

1. Health insurance premium contribution from 5.0% to 8% 1/1/14 and 12% 1/1/15
2. WRS: 1/1/13 – 1.5% of employee’s share
1/1/14 – 3.0% of employee’s share
1/1/15 – 4.5% of employee’s share

Among the external comparables, the city’s offer was favored on wage increases, WRS contributions and health insurance. The city’s offer matched its firefighters’ settlement and the Arbitrator afforded great weight to the internal settlement.

The union’s additional 1% wage increase as the quid pro quo for the other concessions was not supported by the internal or external comparables. The city’s offer prevailed.

P. <i>City of Beaver Dam (Police)</i> , Dec. No. 34654-A, Steve Morrison, 9/21/14)			
	<u>Issue</u>	<u>City</u>	<u>Union</u> ←
1.	Wages		
	2011	0%	1.75%
	2012	0%	1.75%
	2013	3% + \$500 signing bonus	3.0%

Tentative Agreements:

1. 1/1/13 – 3% WRS employee contribution
2. Health contribution by employees from 10% to 11% and requirement that employees pay for health insurance on an unpaid leave.

The union’s offer was favored under the “greater weight” local economic conditions criterion. The Arbitrator stated that the city’s offer reduced the employee’s morale and preferred the union’s offer on the interests of welfare of the public factor.

The firefighter union reached a voluntary settlement on the same terms as the city’s offer. While finding that the union’s offer would, “...more likely than not, create more internal strife and upset labor peace to an unhealthy extent,” the Arbitrator interestingly did not reach any conclusion regarding the weight this factor should have in the outcome.

With respect to external comparables, the city’s offer lost ground on the ranking of wage rates. The union’s offer was slightly favored on this statutory factor.

The Arbitrator ruled that the city did not offer enough of a quid pro quo for the concessions agreed to in health insurance and WRS. He also did not believe the city demonstrated a need for the change in status quo. The union’s offer was selected.

Q. <i>City of Eau Claire (Firefighters)</i> , (Dec. No. 34986-A, Karen J. Mawhinney, 1/12/15)			
	<u>Issue</u>	<u>City</u>	<u>Union</u> ←
1.	Wages 7/01/13 7/01/14 1/01/15	2.0% 2.0% ---	2.0% 2.0% 2.0%
2.	Health Insurance (Employer Contribution) 1/01/14 1/01/15	90% 87%	90% 88%

Determining comparables for the first time, Arbitrator Mawhinney stated: “Contrary to popular opinion, the comparable pool is not set in stone. It is only a guideline that is useful for this case, at this time.” She found that the city’s lowering its health insurance contribution rate by 5% was not supported in the comparables and was without a quid pro quo. She also found that its wages were “a little below” average. Arbitrator Mawhinney found no pattern of internal settlements. She selected the union’s offer.

R. <i>City of Oconomowoc (Firefighters)</i> , (Dec. No. 34985, Edward B. Krinsky, 2/19/15)			
	<u>Issue</u>	<u>City</u> ←	<u>Union</u>
1.	Wages		

	2013	1.0%	1.0%
	2014	2.0%	1.0%
2.	Wage Structure	Status quo	Additional steps
3.	Other issues were involved by not argued by either party.		

Arbitrator Krinsky favored the city’s offer with respect to local “economic conditions” and the cost of living. The city calculated the union’s actual wage increases at 4.7% in 2013 and 4.9% in 2014. While the union argued wage parity with the police, the Arbitrator rejected it since (1) there is no history of parity; and (2) the city does not have the resources to raise additional revenue. Arbitrator Krinsky favored the city’s offer based on external and internal comparisons.

S. <u>City of Milwaukee (Police Supervisors)</u> , (Dec. No. 35076-B, Richard B. McLaughlin, 4/29/15)			
	<u>Issue</u>	<u>City</u>	<u>Union</u>
1.	Wages		
	2013 – Pay Period 1	2.0%	2.9%
	2014 – Pay Period 1	1.0%	2.9%
	Pay Period 14	1.0%	---
	Pay Period 25	0.5%	---
2.	Pension Eligibility	Increase retirement age to 52 with 25 years of service.	Status quo – no age reference with 25 years of service.

Under the law applicable to the City of Milwaukee, the parties utilize conventional arbitration to resolve disputes -- meaning the arbitrator has the power to craft a settlement without regard to the final offers of either party.

Arbitrator McLaughlin elected not to include the pension change citing caution when altering benefits and the lack of bargaining on the need for or reasonableness of the change.

Because of implemented furlough days, a 1.15% annual negative wage impact occurred in 2013 and 2014. After an extensive analysis of the external comparables, cost of the offers, and financial condition of the city, the Arbitrator awarded an across-the board increase of 2.5% effective in July 2013 and July 2014.

T. <i>Dane County (Deputies)</i> , (Dec. No. 35058-B, A. Henry Hempe, 5/12/15)			
	<u>Issue</u>	<u>County</u> ←	<u>Union</u>
1.	2014 Wage Reopener	12/15/13 0.0%	12/13/14 2.0%
2.	“Me too” Clause	If County agrees to wage increase with other employee groups, applicable to deputies.	No provision

Arbitrator Hempe rejected the union’s attempt to argue a quid pro quo was necessary on the limited wage reopener. He noted that the county’s costs were growing at a 3% clip while the county’s ability to provide those services is to grow at only 1.3%. Thus he concluded that the union’s 2% wage increase was “untimely and fiscally risky” and favored the county’s offer on the interests and welfare of the public factor. He also favored the county’s offer on the greater weight, “local economic conditions” factor.

Wages under the county’s offer improved among its comparables when longevity and educational incentive pay were included. Moreover, a 17 year history of consistent settlements among the internal bargaining units was strong evidence in the Arbitrator finding support of the county’s offer. The county’s offer prevailed.

U. <i>City of Watertown (Firefighters)</i> , (Dec. No. 35702-A, Hempe, 5/3/16)			
	<u>Issue</u>	<u>City</u> ←	<u>Union</u>
1.	Salary	1/01/15 3.0%	7/01/15 New top step that is 5.02% higher than the previous step. 0% across-the-board increase.

While the union’s offer matched the internal police settlement, the cost impact was very different. Because 50% of the police officers had reached the top step, the overall cost of the police settlement was 3%. Because all but two firefighters are already at the top step, the cost was 4.5%. The union claimed the six month delayed implementation lowered the cost to 2.4%. Arbitrator Henry Hempe found the city’s assessment of the costs to be “accurate”. Ultimately the Arbitrator found the internal police settlement and the city’s costing method as supporting the city’s final offer in his final selection.

V. <i>Green Lake County (Deputies)</i> , (Dec. No. 35779-B, Yaeger, 6/29/16)			
	<u>Issue</u>	<u>County</u>	<u>Union</u> ←
1.	WRS (Employee Share)	1/01/15 5.5% 1/01/16 Full	Status quo: 3.5%
2.	Wage Increase		
	1/01/15	2.0%	1.5%
	1/01/16	1.5%	1.5%
	1/01/17	1.5%	1.5%

The Arbitrator did not find that the interest and welfare factor favored the city’s offer. The Arbitrator rejected the three counties historically relied upon by both parties for comparables and “for this arbitration only” expanded the comparable pool. With the expanded list of comparables, the WRS issue favored neither party. Internal comparable wage and benefits were of only limited value in determining the outcome. Yaeger did not believe the county’s offer contained a high enough quid pro quo to favor its adoption.

W. <i>City of Milwaukee (Firefighters)</i> , (Dec. No. 35703-A, Mawhinney, 7/29/16)			
	<u>Issue</u>	<u>City</u> ←	<u>Union</u>
1.	Wages		
	Pay Period 1, 2013	2.0%	2.0%
	Pay Period 1, 2014	1.0%	2.5%
	Pay Period 14, 2014	1.0%	
	Pay Period 1, 2015	2.0% + 2.9% Pension offset	2.0% + 2.9%
	Pay Period 1, 2016	2.0% + 2.9% Pension offset	2.0% + 2.9%
	Pay Period 14, 2016	2.0%	0.5%
	Pay Period 25, 2016 (Plus additional pay for certain positions)	0.25%	
2.	Pension (Employee Contribution)	Pay Period 1, 2015	Pension contribution effective day after

		3.5% Pay Period 1, 2016 7.0%	award.
3.	Work Hours – 49.8 hours/week	53	Status quo
4.	Many other issues but none judged as determining the outcome.		

The Arbitrator criticized both offers for their obvious flaws: The city proposed a “...major work change in the 53-hour work week schedule with no real quid pro quo...” while the union’s offer “...has a badly mistimed pension contribution, starting a year and a half...” after the 2.9% pension offset money is paid to employees.

The wage difference was found “not great” by the Arbitrator. She found the overall costs, however, significant at \$9.1 million, with the biggest chunk devoted to pensions. The Arbitrator relied on the city’s extremely poor economic conditions to find strong support for the city’s offer. In this case the greater weight factor of local economic conditions was decisive.

SUMMARY OF RESULTS

1. Early cases centered on employer efforts to require public safety employees to contribute more towards health insurance and WRS on the same basis as the internal comparable general employees—provided a quid pro quo was offered.
2. Arbitrators continue to struggle with internal general employees vs. external comparables and the appropriate weight to attribute to each one.
3. Arbitrators have difficulty determining if enough of a quid pro quo has been offered to warrant adoption of the employer’s offer with health and WRS concessions.
4. Wages, WRS and health insurance contributions continue to dominate the issues arbitrated. Recently the WRS issue has faded since most employees now contribute their share of WRS.
5. Since the historic change in public sector labor relations with the passage of Acts 10/32 in 2011, there have been only a total of 22 public safety arbitration awards. The employer’s offer was selected in 10 cases (48%) while the union’s offer was selected in 11 cases (52%) with one additional conventional arbitration case. (There was also a very rare fact-finding case.) Clearly, voluntary settlements were the norm and preferred outcome of collective bargaining with police, firefighters and deputies over the past six years.
6. Analyzing the past 22 public safety interest arbitration awards issued since the passage of Acts 10/32, reveals that a wide variety of arbitrators have been used as shown below:
 - Arbitrators with 1 decision favoring the employer: Kossoff, Flaten, Strycker, Roberts, Krinsky.

- Arbitrators with 1 decision favoring the union: McAlpin, Vernon, Gallagher, McGilligan, Gordon, Morrison, Yaeger.
- Arbitrators with 3 decisions favoring the employer: Hempe.
- Arbitrators with 2 decisions split between employer and union: Malamud.
- Arbitrators with 3 decisions favoring union and one favoring the employer: Mawhinney.
- Arbitrator with 1 decision under conventional arbitration: McLaughlin.

The bargaining units involved breakdown like this: Police -8, Deputy Sheriffs – 8, Firefighters – 5 and Police Supervisors -1.