

BEFORE THE ARBITRATOR

In the Matter of the Petition of

CITY OF MEDFORD
(ELECTRICAL UTILITY)

To Initiate Arbitration
Between Said Petitioner
and

Case 30
No.57281 INT/ARB-8685
Decision No. 29684-A

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL 953

Appearances:

James Dahlberg and Dave Loechler, Representatives, appearing
on behalf of the Union.

Ruder, Ware, & Michler, S.C., Attorneys at Law, by Jeffery T.
Jones, appearing on behalf of the Employer.

INTEREST ARBITRATION AWARD

International Brotherhood of Electrical Workers, Local 593,
(herein "Union") having filed a petition to initiate interest
arbitration pursuant to Section 111.70(4)(cm), Wis. Stats., with
the Wisconsin Employment Relations Commission (herein "WERC"), with
respect to an impasse between it and City of Medford (Electric
Utility) (herein "Employer"); and the WERC having appointed the
Undersigned as arbitrator to hear and decide the dispute specified
below by order dated August 23, 1999; and the Undersigned having
held an evidentiary hearing in Medford, Wisconsin, on November 17,
1999; and each party having filed post hearing briefs, the last of
which was received January 20, 2000.

ISSUES

The parties last agreement expired October 31, 1998. The
parties have mutually agreed to have a two year successor agreement
from November 1, 1998, through October 31, 2000. The stipulation
of tentative agreements and the final offers of the parties frame
the issues. I summarize them as follows:

WAGES: The Employer proposes to increase wages by 1.5% across-the-
board on November 1 in each year of the agreement.¹ The Union
proposes 3% on November 1, 1998, 1.5% November 1, 1999, and 1.5%

¹The Employer's final offer speaks in terms of a changing
the agreement to a calendar year 1999 and 2000 agreement, but the
Employer's brief clarified this as stated herein. The ambiguity
would not affect the result in this case.

May 1, 2000.²

POSITIONS OF THE PARTIES

The Union takes the position that its offer is to be preferred because it represents an appropriate general increase. It uses those municipal utilities within 75 miles of the Union's office in Eau Claire. All four of these have similar language and benefits to those in Medford. They are Barron, Black River Falls, Cornell, and Rice Lake. The general increases of all of these are closer to that of the Union herein. The Union also argues that its wage rates are necessary because there is a shortage of skilled electrical workers, particularly in this region.

It argues that its offer is also necessary to compensate for the increase in the cost of living as indicated in the cost of living for September, 1998, and 1999. The Union argues that the Employer has granted its police officers wage increases for the same years of 3.5% and 3.9% in the same respective years.

The Employer takes the position that its offer should be adopted because it represents an appropriate wage increase in the light of the fact that the average wage rate in the unit exceeds any reasonable rate based upon any reasonable set of comparisons.

It urges that its comparable pool be adopted: Arcadia, Black River Falls, Bloomer, Clintonville, Gresham, Marshfield, New Richmond, Oconto Falls, Rice Lake, Shawano and Spooner. It states that there are few utilities that are comparable by traditional standards. The utilities selected by it reasonably represent a similar average customer base and populations. It finds these are comparable on the basis of population, purchased power, number of customers and general location. By comparison, it argues that the Union's comparison pool is unsupported by the data. It does note, however, that even if the Union's comparable pool were adopted, it would support the position of the Employer that the wage rates here are the highest in the group.

The Employer argues that on the basis of either its proposed set of comparables or even the Union's, that the average wage rate paid Medford employees substantially exceeded those in comparable units. In this light, its offer of 1.5% in each year is appropriate. The Employer also notes that the "Municipal Electric Utilities of Wisconsin Survey" ranks unit employees as the highest paid employees of similarly sized electric utilities.

² The parties reached mutual agreement as to the sick leave and vacation issues. They will not be addressed.

The Employer argues that there is no justification for the disparity. It argues that other organized and non-organized City of Medford employees do not have a similar wage leadership position vis-a-vis their comparability groups.

DISCUSSION

The arbitrator is to select the final offer of one party or the other without modification. The arbitrator is required to make this decision applying the statutory criteria as follows:

7. **'Factor given greatest weight.'** In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer) body or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.

7g. **'Factor given greater weight.'** In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified in subd. 7r.

7r. **'Other factors considered.'** In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall also give weight to following factors:

- a. The lawful authority of the municipal 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 the costs of any proposed settlement.
- d. Comparison of wages hours, and conditions of employment employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.
- C. Comparison of wages hours, and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in public

employment in the same community and in comparable communities.

- f. Comparison of wages hours, and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in private employment in the same community and in comparable communities.
- g. The average consumer prices for goods and services, commonly known as the cost of living.
- h. The overall compensation presently received by the employees, 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.
- i. 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 parties, in the public service or in private employment.

Neither party has addressed an argument to either of the factors requiring greater weight than the others. The arbitrator is free to give such weight as he or she finds appropriate to the remaining factors.

A. Background

Taylor County has a low population density. About 59% of the County is forest. The City of Medford is the largest municipality in Taylor County. Taylor County itself is growing very slowly with very few people moving into the county. Medford is the fastest growing part of the county. According to the DWD 1999 "Taylor County Workforce Profile" as of 1997, about 40% of the employment in the county and 46% of the wages paid in the county came from manufacturing. Retail trade, services and government in that order were the next largest. Government is about 10% of work force. Taylor County and Medford School District are two of the ten largest employers in the county. The average annual wage in 1997, in the County was \$21,995. While the highest average wage reported was in transportation, communication and utilities of \$28,539.

The City of Medford has four collective bargaining units and a group of non-represented employees. The units are Department of Public Works (8 employees), Police (7 professional police employees), Wastewater (2.5 employees) and this unit (6 employees). Specifically, this unit consists of; 1 working line foreman, 2 line men, 1 meter man and 1 cashier and 1 computer operator

B. Comparison Factors

i Other Comparable Public Utilities

Both parties rely heavily on the use of comparisons to other similarly situated utilities, the Employer emphasizing wage rates, while the Union was emphasizing annual increases. The Union proposed comparable utilities of Barron, Black River Falls, Cornell, and Rice Lake. Its basis was that they were within 75 miles of the Union's office in Eau Claire, they were represented by the same local and that they had similar contract language. The Employer proposed a larger group which included all but Barron and Cornell. They are: Arcadia, Black River Falls, Bloomer, Clintonville, Gresham, Marshfield, New Richmond, Oconto Falls, Rice Lake, Shawano, Spooner. Its basis was proximity, population of city, amount of purchased power and number of customers. There are no closely comparable utilities in the area. Under these circumstances the use of a larger group is supported because it is more likely to be representative of a cross section of factors affecting wage rates. The Employer's proposed comparability group is appropriate with the exception of Marshfield which is a much larger utility. There is no data to determine whether Barron or Cornell should be included and, therefore, no decision can be made on whether they should be included. their inclusion would not affect the result in this case.

ii. external comparisons

The wage rate comparisons adjusted to exclude Marshfield demonstrate that unit employees enjoy a substantial wage leadership position over all of the comparable utilities' employees. The following is a summary of the data presented by the Employer (maximum rates for 1998) without Marshfield:

	Cashier Clerk	Lineman	Meterman ³	Computer Operator
average	\$10.98	\$18.50	\$16.56	\$12.58
Medford	\$14.79	\$21.48	\$17.07	\$16.95

There was no direct evidence to support the degree that positions

³There is a substantial distinction between rates for meter readers and meter technicians. It is not clear what the meterman duties in Medford are. I have used the highest technician rates.

are similar across the units. There appears to be no dispute that the position of Lineman and Cashier Clerk are sufficiently uniform over the comparable utilities to allow a comparison. The comparisons are sufficiently close in the other classifications to demonstrate the wage superiority of those classifications. Thus, as to the cashier, Medford is clearly the highest paid. The next highest utilities pay their cashier clerk's considerably less: Black River Falls pays it cashier \$13.10 and Rice lake pays its \$12.24. While the classification of "computer operator" can vary, the highest paid computer operators are in Black River Falls, Sponer, and Shawano, which are respectively \$14.69, \$14.87. and \$13.02. The highest other linemen are Black River Falls, Arcadia and New Richmond; \$20.64, \$20.20 and \$19.97 respectively. The available evidence indicates that most unit employees enjoy a substantial wage leadership position over other comparable utilities and will continue to do so if either offer is accepted.

The data with respect to the Employer's comparable group showed increases for Journeyman Linemen between 3.2% and 4.25%. .

Black River Falls gave its linemen a 5% increase for each calendar year, 1998 and 1999. Rice Lake granted a 3.5% and 3% increase in the same years. The increase proposed by the Union is more comparable to the percentage increases offered by comparable employers.

iii. Internal Comparisons

The city pays its clerical employees at significantly different rates in different units. The highest paid clerical is the Police Secretary who received \$10.82 per hour (1999 wage rate).

While there are no other direct comparisons to comparable positions in other city units, the Linemen here earn more than the department heads of some of the City's other departments.

The city did settle with one other unit, the police unit. The police unit has a different external comparison group apparently used by both parties. Medford police officers are paid about average among that comparability group. The Employer granted the police a 3.5% and 3.9% increase for the calendar years 1999 and 2000, respectively. These comparisons favor the Union's position.

iv. Local Public and Private Sector Wage Rates

There has been no evidence to substantiate close comparisons of any unit employees to those in the private sector in the local area. However, the cashier clerk is paid at least \$1.70 per hour more than the 1999 wage rate of the highest clerical position in the Taylor County courthouse unit.⁴ Both the cashier clerk and

⁴Secretary 2 specified in the wage schedule in that collective bargaining agreement.

computer operator are paid substantially more than similar positions in private employment in Taylor County. State wage survey data relating to Taylor County show that the unit cashier is about \$4 per hour above the median wage of the highest clerical reported in state data. The linemen in this unit earn \$21.48 for 1998. By contrast the highest reported average wage in Taylor County was for Transportation, Communication and Utilities of \$28,539

C. Cost of Living

The cost of living was reported as follows for the October ending as follows

	CPI-W	CPI-U
1998 (Oct.)	1.3%	1.5%
1999 (Aug.)	2.4%	2.3%

Comparisons to the cost of living ordinarily are best made to total package and not wage rate alone. Neither party submitted costing data. By direct comparison to wage increase alone, this factor heavily favors the Employer's offer in the first year. The Union's offer substantially exceeds that needed to adjust for inflation.

When the wage increase split is considered, direct comparison to this factor for the second year tends to favor the Union. The best judgment on the available evidence is that over the two year period, the Employer's offer is adequate to adjust for inflation for this contract.

D. Other factors

There is no dispute that the Employer has the ability to meet the offer of the Union. Thus, it is not necessary to address the ability to pay factors.

The evidence is insufficient to demonstrate shortage of linemen or other utility classifications. There was no direct testimony on the subject. Specifically, there is no indication that the Employer is likely to have any need to hire employees in the near future. The economic data offered by the Employer alludes to some shortages of workers in the County, but there is no indication of unusual shortages in these classifications. The wage increases offered by other utilities does not suggest that there is unusual competition to raise rates or attract workers.

E. Summary

The parties have established and maintained a wage leadership position for employees in this bargaining unit. It does not appear that other employees of the Employer enjoy a similar wage leadership position. All of the wage rate data establishes that

unit employees will continue to enjoy a substantial wage advantage among comparable employers and in the local area under the Employer's offer. The best judgment under the evidence available in this case is that the offer of the Employer is closer to one which is appropriate to give in the light of inflation. The Employer's offer is substantially less on a percentage basis than it granted the police; however, the nature of the wage disparity here suggests that the Employer's offer is closer to the actual size (cents-per-hour) increase granted to the police. In any event, the other factors outweigh comparisons on average wage increases. Accordingly, the final offer of the Employer is closest to appropriate and is adopted.

AWARD

That the final offer of the Employer be incorporated into the parties' agreement.

Dated at Milwaukee, Wisconsin, this 17th day of March, 2000.

Stanley H. Michelstetter II
Arbitrator