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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of
MARINETTE CITY EMPLOYEES, LOCAL 260
WCCME, AFSCME, AFL-CIO
To Initiate Mediation-Arbitration
Between Said Petitioner and
CITY OF MARINETTE

Case XXIII
No. 27661 MED/ARB-1065
Decision No. 18841-A

Appearances:

Mr. James W. Miller, Representative, Bay District, AFSCME, appearing on behalf of the Union;

Mr. THomas P. Schwaba, S. C., Attorney at Law, appearing on behalf of the Employer.

ARBITRATION AWARD:

On August 6, 1981, the Wisconsin Employment Relations Commission appointed the undersigned as Mediator-Arbitrator pursuant to Section 111.70 (4) (cm) 6.b. of the Municipal Relations Act, in the matter of an impasse existing between the Marinette City Employees Local 260, AFSCME, referred to herein as the "Union," and the City of Marinette, referred to herein as the "Employer." Pursuant to the requirements of the statute, the undersigned conducted mediation proceedings between the parties on October 12, 1981, over matters at impasse between the parties as set down in their final offers filed with the Wisconsin Employment Relations Commission. The impasse remained at the conclusion of the mediation proceedings. Consistent with prior notice, the Employer and the Union waived the statutory provisions of Section 111.70 (4) (cm) 6.c. which require the Mediator-Arbitrator to provide written notification to the parties and the Commission of the intent to arbitrate and to establish a time limit within which either party may withdraw the final offer. Arbitration proceedings were also conducted on October 12, 1981, at Marinette, Wisconsin, at which time the parties were present and given full opportunity to present oral and written evidence and to make relevant argument. Neither party requested a transcript of the proceedings and none was made. The parties agreed to exchange posthearing briefs through the arbitrator no later than October 26, 1981. The record was then closed.

THE ISSUES:

The sole issue at impasse between the parties was the dispute of wages during the term of a one year agreement as set forth in the final offers of the parties as follows:

UNION FINAL OFFER:

8% across the board increase effective January, 1, 1981, and 4% additional across the board increase effective July 1, 1981.

EMPLOYER FINAL OFFER

10.16% increase in their respective wages effective January 1, 1981.

POSITION OF THE UNION:

The Union certified a final offer to the Commission maintaining that its position most closely meets the Statutory criteria. The Union maintains that an increase of 8% and 4% totalling approximately 12.3% gross increase does not even bring its members into parity with other workers in comparable units. The Union further argues that its offer is the closest approximation to the increase in the cost of living as shown in the Consumer Price Index.

The Union cites a series of events in which the Employer's Bargaining Team, the City Personnel Committee, and the Union Membership previously accepted the final offer of the Union only to have the Common Council fail to ratify that same offer. The Union claims that those parties constitute adequate proof of the fairness of the Union offer.

The Union is quick to point out that the Contract at impasse is the only one in dispute and that for only the year 1981. The Union final offer creates no greater financial burden to the Employer than the offer of the Employer.

POSITION OF THE EMPLOYER:

The Employer certified its final offer to the Commission maintaining that that offer most closely meets the Statutory criteria. The Employer claims that there will be a \$200,000 shortfall in cashflow for the City in the current year and at least twice that much next year because of the reduction in State and Federal shared revenue payments. To offset the shortfall the Employer is considering a number of steps of which a substantial tax increase is one step and an austere bargaining position is another. Both steps among others are claimed to be necessary.

The Employer argues, further, that its final offer is comparable in total to the wages to employees in similar positions in Marinette County Government, the single most acceptable comparable unit. The Employer calculates the addition of longevity pay of the two organizations to reach a total compensation package which favors its position in this dispute.

FINDINGS OF FACT:

The City of Marinette is now placed in a difficult position because of the shortfall in State and Federal shared revenues. If no definitive steps are taken, the cash flow problem and the even worse situation in the year 1982 are inevitable.

Both offers constitute a net increase to the employees included in the agreement of 10.16% for the year 1981. The Union offer does yield a gross increase to the employees of about 12.3% as of July 1, 1981, and does advance the position of the employees over 2% above the offer of the Employer.

There are five units of government cited in the record as comparable to the City of Marinette for purposes of wages paid to employees. In terms of base pay, all five units cited pay more than the City of Marinette for the vast majority of the comparable classifications in each unit. The Marinette County Highway Department has a different longevity formula effecting the overall compensation package. The difference in longevity formulas provides for higher compensation to the employees in the majority of the classifications at the County for the first eight years of service. After that time in service the majority position switches to the City of Marinette. It is important to note that the record contains no fact as to the number of

employees in any classification nor the time of service of any of the employees under either of these two contracts.

The Consumer Price Index of the Bureau of Labor Statistics shows these twelve month increases: 12.3% for the twelve months preceding December, 1980, 11.7% for the twelve months preceding January, 1981, and 10.78% for the twelve months preceding August, 1981 (the last Index available prior to the arbitration).

DISCUSSION AND CONCLUSIONS OF LAW:

The cost of living criterion of the Statutes provides a measure on which the parties are able to determine whether the employees will continue to be compensated by a projected increase at the same real wage as was provided in the previous agreement. A projection based on the performance of the Consumer Price Index of the Bureau of Labor Statistics for the twelve months prior to the effective date of the Agreement would show a 12.3% increase. Actual performance upto August, 1981, shows a 10.78% increase. Both offers give the employees a net increase for this year of 10.16%. Therefore, neither offer meets the Index for August. Based on the performance for the twelve months preceding the effective date of the Agreement, only the Union offer meets the Index when extended as a gross increase of 8% and 4%.

Since no objection was raised as to the accuracy of the four cities submitted by the Union as comparable and since no comparables were offered by the Employer to rebut them, one must conclude that the City of Marinette is not at parity to those units with regard to base pay. In the case of the comparable salaries in classification with the County of Marinette the base pay of the City Unit is lower. It is perfectly proper to argue to effect of the longevity formula on the overall compensation paid to the employees. If the majority of the employees with respect to the various classifications have over eight years of service the Union offer is high. If not the Employer offer is low. Unfortunately, no fact was entered in the record by which the undersigned can determine which situation prevails. The weight of all of the comparables of record certainly favors the final offer of the Union.

The Statutory criterion concerning the welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement certainly must be considered in this instant matter. The financial circumstances of the City of Marinette do not allow the Employer the latitude to offer any more than is fair under the most strict judgment. However, the offers of both parties create the same financial burden for the City in the year 1981. Making an award in favor of the final offer of the Employer over the Union will not mitigate that condition in the least.

Since the resolution of instant matter does not in fact set a contract for the year 1982, it can not be argued definitively that the Union offer does give a greater increase for the year 1982 than does the Employer offer. Awarding the final offer of the Union would place the Union in a more favorable starting position with regard to wages in the year 1982. If one were to assume that the Union offer exceeded a reasonable settlement by the difference between the two offers of about 2%, it is not likely that earnest bargaining under even the most optimistic projections for inflation for the year 1982 would limit an increase to under 2%. Nor is it likely that the whole financial burden placed on the City would be offset by increases given to the employees of less than 2%. Under circumstances where the offers were at greater disparity the argument might be persuasive, but, not in this instance.

It follows from all of the foregoing and from considering the record in its entirety, from the argument of counsel, and the Statutory criteria, the final offer of the Union is adopted in this dispute, and the Arbitrator makes the following:

AWARD

The final offer of the Union, along with all tentative agreements previously entered into between the parties, as well as the terms of the predecessor Collective Bargaining Agreement between the parties which remain unchanged, are hereby included in the Collective Bargaining Agreement between the parties for the year 1981.

Dated at Green Bay, Wisconsin, this 31st day of October, 1981.

Michael R. Monfils
Mediator-Arbitrator

MRM:ks