

BEFORE THE MEDIATOR-ARBITRATOR

MAY 14 1984

In the Matter of the Petition of
MILWAUKEE DISTRICT COUNCIL 48,
AFSCME, AFL-CIO and its affiliated
LOCAL 133

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

To Initial Mediation-Arbitration
Between Said Petitioner and

Case XLII
No. 30787 MED/ARB-2047
Decision No. 20576-A

CITY OF ST. FRANCIS

Mediator-Arbitrator:
Stanley H. Michelstetter II

Appearances:

Russel L. Borkin, Research Analyst, and Anthony F. Molter, Staff Representative, appearing on behalf of the Union.

Harwood H. Staats, City Attorney, and Ralph Voltner, Jr., City Administrator, appearing on behalf of the Employer.

MEDIATION-ARBITRATION AWARD

Milwaukee District Council 48, AFSCME, AFL-CIO, and its affiliated Local 133, herein collectively referred to as the Union, having petitioned the Wisconsin Employment Relations Commission to initiate mediation-arbitration proceedings in the above-entitled matter between it and the City of St. Francis, herein referred to as the Employer, and the Commission having appointed the Undersigned as Mediator-Arbitrator, and having notified him of that appointment on June 6, 1983, and the Undersigned, having conducted mediation on September 28, October 31, 1983, and November 10, 1983, without resolution of the matter, but during the course of which the parties waived formal hearing and agreed to submit the instant dispute by written submission and briefs. After the submission, the parties each filed post hearing briefs and reply briefs, the last of which was received January 11, 1984. The standards applied in this case are those specified in Section 111.70(4)(cm), Wis. Stats.

ISSUES

This case occurs under the parties' calendar 1982 and 1983 agreement. The only issue is the wage increase for calendar 1983. The Employer's final offer is as follows:

1. A wage increase effective 1/1/83, 3 and 1/2 per cent across-the-board.
2. In addition to the across-the-board increase, clerk-typist and payroll and general office clerk positions will receive an additional 10¢ per hour.

The Union's final offer is as follows:

1. Effective 1/1/83 - 5 per cent across the board increase, effective 10/1/83-a one per cent across the board increase.
2. In addition to the across-the-board increase, clerk-typist and payroll and general office clerk positions will receive an additional twenty cents (20¢) per hour.

POSITIONS OF THE PARTIES

The Union takes the position that the principal determinative factor should be comparison of the wages of the instant employees to those of similar employees in comparable communities. It relies upon the following communities as comparable communities: Cudahy, South Milwaukee, Greendale, Greenfield, Oak Creek, Hales Corners, West Milwaukee and Franklin. It argues that these should be adopted because each of these was used in at least one of the two awards by Arbitrator Zeidler with respect to the City of St. Francis.

Although Arbitrator Zeidler concluded in one decision that Cudahy and South Milwaukee were more nearly comparable than the other communities, the Employer's reliance on these comparables together with Greendale is not justified in the opinion of the Union. The Union seeks to have the Mediator-Arbitrator rely upon the percentage increase voluntarily accepted by the comparable cities (excluding South Milwaukee). It notes that the rankings for the two clerical positions would benefit most under the Union's final offer. It notes that while the Employer's office tends to maintain the relative ranking of the various positions, it tends to lose ground with respect to the next higher ranking. It denies that the mediator-arbitrator should look at the 1983 settlements in the Employer's fire and police units because there has been no history of pattern bargaining and because there have been widely differing increases among the units in the past. In any event, it argues that heavier wage should be placed on the external comparisons. It also denies that the Employer lacks the ability to pay its offer or has any difficulty in doing so. It notes that the difference between total packages is about \$6,355.00 and, thus, it is hard to conceive that the Employer would have any difficulty in paying. In addition, it notes that the employer's "undesignated fund equity" grew from four hundred and forty-six thousand one hundred and eighteen (\$446,118.00) dollars as of December 31, 1982 to four hundred eighty thousand (\$480,000.00) dollars in July of 1983. While it admits the Employer's full tax rate is high among the comparables, it argues that because of increased state tax relief, that the city's effective tax rate has effectively dropped by 4.7% from 1981 to 1982 which is more than any other comparable jurisdiction. It notes that St. Francis' full property value grew more than the value in comparable communities. Thus, it noted that the Employer dropped its tax rate going into 1982. Thus, it denies either that the city has the inability or any difficulty in paying its offer. The Union feels that the use of the consumer price index is not warranted in this case, but it argues that its wage increase proposal is closer to the 5.25% for 1983 than the Employer's. Further, it denies that St. Francis has any economic circumstances which are different from those in comparable communities.

The Employer takes the position that the Mediator-Arbitrator should rely on the cost of living data which indicates that a 4.7% increase is justified. It notes that the country's economy is suffering and that the City of St. Francis is in worse shape in relation to the general state of the economy because most of its population is blue collar and employment in the area is declining. It also notes that the equalized evaluation of property per person is extremely low in St. Francis by comparison to other comparable communities. At the same time, St. Francis has the third highest tax rate out of the nine communities the Union mentioned in its Exhibit 8. Thus, it notes that St. Francis is heavily dependant upon state aid and the Employer anticipates lower state aid in the future. It argues that the Mediator-Arbitrator should not rely on comparisons between communities because job content may not be identical, wage comparisons do not show differences in total package, good comparable communities are really nonexistent, use of comparisons subjects the Employer to increases granted by weak link comparable communities. Finally, it feels the Mediator-Arbitrator should rely on the internal comparisons to keep internal harmony for the Employer.

DISCUSSION

Section 111.70(4)(cm)7 provides the factors to be considered. Of those listed, the following are relevant:

"...C. The interest 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 of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.

E. The average consumer prices for goods and services, commonly known as the cost of living...

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. "

Cost of Living

The January, 1982 to January, 1983 change in the Milwaukee consumer price index was 4.7%. Since this index measures changes in items contained in benefit packages as well as those upon which employees spend their wages, comparison of this index to total package increase, rather than wage increase alone, tends to be a more reliable and closer comparison. The Union's total package increase would be about 7.9%, while the Employer's would be about 5.9%. Accordingly, this factor heavily favors the Employer's position.

Internal Comparisons

Because of the different nature of the duties of various positions within the city, the most practical method of comparing wage increases of other employees within the City of St. Francis is to compare percentage increase. As the Union has asserted, there is no history of patterned bargaining; however the evidence of internal comparison does tend to show how employees under essentially similar economic circumstances would settle. In this case, the following bargaining unit settled for the following percentage increases in 1983: Police - 3%, Fire - 4%. It appears the settlements did occur during the 1983 year. This factor favors the Employer.

External Comparisons

By far the most important factor in this case is the comparison of wages of employees within this unit to the wages of employees performing similar duties in comparable municipalities. This unit is made up of a variety of positions. The distribution of this unit is as follows:

Utilities and equipment operators - 9
Mechanic - 1
Custodian - 1
Engineering Aide - 1
Payroll Records and General Office Clerk - 1
Clerk Typists - 2
Clerk-Dispatcher- Police Department - 1
Labor - none

Total: 16

Because the utility and equipment operator position and the clerk-typist positions are the most numerous and are representative of the two basic divisions of the unit, they will be used for comparison.

The parties disagreed as to the set of communities which should be used for comparison. The Union relies partially on the south set of comparable communities which Mediator Arbitrator Zoidler used in his

fully the trends represented by the offers of both parties.

Below is a comparison of the utility and equipment operator wage rates to that of comparable communities.

Utility and Equipment Operators Wage Rates
Comparable Communities

| | <u>1982</u> | <u>Rank</u> | <u>1/1/83</u> <u>1983</u> | Er. (4) | <u>Rank</u> <u>Union(2)</u> | <u>10/1/83</u> <u>Er. U.</u> | Er. 1 |
|-----------------------|-------------|-------------|------------------------------|---------|--------------------------------|---------------------------------|-----------|
| St. Francis | 9.60 | (4) | | 9.94 | 10.08 | 9.94 | 10.18 (5) |
| Cudahy | 9.39 | (6) | 9.86 | (5) | (5) | 9.86 | (6) |
| So. Milw. | 9.99 | (1) | 9.99 | (3) | (4) | 10.15 | (3) |
| Greendale | 9.26 | (7) | 9.73 | (6) | (6) | 9.73 | (7) |
| Greenfield | 9.96 | (2) | 10.36 | (1) | (1) | 10.36 | (1) |
| Oak Creek | 9.64 | (3) | 9.64 | (9) | (7) | 10.12 | (2) |
| Hales Corners | 8.77 | (9) | 8.95 | (9) | (9) | ? | (9) |
| West Milw. | 8.92 | (8) | 9.28 | (8) | (8) | 9.37 | (8) |
| <u>Franklin</u> | <u>9.55</u> | (5) | <u>10.03</u> | (2) | (3) | <u>10.03</u> | (4) |
| AV w/o H.C. & S.F. | 9.53 | | 9.84 | | | 9.95 | |
| S.F. Diff. | + .07 | | + .10 | + .24 | | -.01 | + |

The figures here demonstrate that the Employer's offer tends to preserve its ranking and its difference from the average through at least the mid point of 1983. The Union's offer on the other hand, increases the wage gap over the average by seventeen (17¢) cents. In the latter part of the year the Employer's offer loses ground to the average wage by eight (8¢) cents. By about this amount it falls from fourth to fifth place. On the other hand, the Union's offer increases the ranking of this group from fourth to second, again maintaining a wage gap of twenty-three (23¢) cents above the average. Thus, if maintaining relative position among these comparables is appropriate, the Employer's offer is to be preferred somewhat over the Union's.

It should be noted that among the communities of South Milwaukee, Greendale, Cudahy and St. Francis, St. Francis has moved from fourth to second in the period of 1974 to 1982 with respect to equipment operator hourly rates. Taken with St. Francis' economic circumstances, there is no evidence justifying a change in relative rank of this unit.

The following table demonstrates the relative comparison of the clerk-typist position:

Clerk Typist

Clerk Typist (Con't)

| | End 1982 | | 1/1/83 | | | 10/1/83 | | |
|--|-------------|------------|-------------|------------|--------------|-------------|------------|--------------|
| | | | | <u>Er.</u> | <u>Union</u> | | <u>Er</u> | <u>Union</u> |
| S. Milw. | 8.40 | (1) | 8.40 | (1) | (2) | 8.56 | (1) | (0) |
| Greenfield | 6.97 | (3) | 7.25 | (3) | (4) | 7.25 | (4) | (5) |
| Greendale | 6.30 | (8) | 6.80 | (7) | (7) | 6.80 | (7) | (7) |
| Oak Creek | 6.94 | (4) | 6.91 | (6) | (6) | 7.26 | (3) | (4) |
| Hales Corners | 6.60 | (7) | 6.73 | (8) | (8) | | | |
| Franklin | <u>6.73</u> | <u>(6)</u> | <u>7.13</u> | <u>(5)</u> | <u>(5)</u> | <u>7.13</u> | <u>(6)</u> | <u>(6)</u> |
| Au. Mo. S.F. & H.C. | 7.11 | | 7.36 | | | 7.45 | | |
| St. Francis difference from average: | -29¢ | | | -.20 | 0 | | -.29¢ | -.02 |

In 1982, St. Francis ranked fifth in this group (no information was available for West Milwaukee). As of the beginning of 1983 and for at least the first six months, both parties' offers improve the relative ranking of the clerk typist. The Employer still trails the average by twenty cents while the Union catches up to the average. However, by the middle of the year, the Employer's position returns these positions to the same rank it had before with the same difference from average. The Union's position, on the other hand, improves the relative rank to third and brings the wages up to about average. These positions are generally underpaid and, accordingly, the Union's position is to be preferred with respect to the clerical classifications.

However, because the bulk of the unit positions are in the utility and equipment operator classification or similar classifications, the comparison to this position should be given heaviest weight. Weighted accordingly, the external comparisons very slightly favor the Employer's position.

Difficulty in Paying

It is undisputed that the City of St. Francis has the ability to pay the Union's offer. Although the Employer has argued that hard economic times make it difficult or unwise to pay the Union's proposal, there has been little specific evidence as to a different impact of these economic times on St. Francis than in other comparable communities. There is evidence tending to show high unemployment in Cudahy and St. Francis, but no comparison is made to comparable suburbs. Other evidence indicates that St. Francis has less of a tax base and a higher tax rate than the primarily comparable communities. For example:

| <u>Community</u> | <u>1983 Equalized value</u> <u>Per Person</u> | <u>1983 Gross</u> <u>Tax Rate</u> |
|------------------|--|--------------------------------------|
| St. Francis | \$18,780.00 | 30.14 |
| Cudahy | \$22,074.00 | 28.03 |
| Greendale | \$29,495.00 | 27.52 |

| <u>Community</u> | <u>1983 Equalized value Per Person</u> | <u>1983 Gross Tax Rate</u> |
|------------------|--|--------------------------------|
| South Milwaukee | \$20,698.00 | 28.65 |

Calculations from the Union's exhibits confirm that St. Francis is lowest among the comparables in 1983 equalized value per person.

The evidence of state aid is somewhat misleading. State property tax relief aid formulas are, in part, based upon equalized valuation per person. The state has provided an increasing portion of St. Francis' financing and, as a result, lessened the impact of St. Francis' lower ability to raise funds. There is some question as to whether the state will continue to provide that level of relief. Thus, while St. Francis has the ability to pay the Union's offer, some consideration must be given to the fact that it is very difficult for St. Francis to raise money locally to do so.

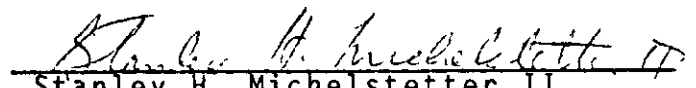
Summary

In summary, all of the factors in this case tend to favor, to some extent, the Employer's final offer. Accordingly, the Employer's final offer is adopted.

AWARD

That the parties' 1982 and 1983 agreement include the final offer of the Employer.

Dated at Milwaukee, Wisconsin, this 11th day of June, 1984.


 Stanley H. Michelstetter II
 Mediator-Arbitrator