

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

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WISCONSIN EMPLOYMENT RELATIONS COMMISSION  
MILWAUKEE, WISCONSIN

In the Matter of Mediation/Arbitration  
between  
THE CITY OF BURLINGTON  
and  
TEAMSTERS LOCAL UNION 43

CASE XLII  
NO. 30749  
MED/ARB-2037  
Decision No. 20825-A

Appearances

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**BACKGROUND**

The undersigned was notified by an July 14, 1983, letter from the Wisconsin Employment Relations Commission of his selection as Mediator/Arbitrator in an interest dispute between the City of Burlington (hereinafter City) and Teamsters Local Union 43 (hereinafter Union). The dispute concerns the wage rate to be included in the parties' 1983-1984 Agreement covering all hourly paid employees in the City's Street and Park Departments.

Pursuant to statutory responsibilities, mediation was conducted on Wednesday, September 21, 1983. A settlement did not result. The matter was advanced to arbitration later that same day for binding determination. Both parties filed timely post-hearing and reply briefs. Based upon a detailed consideration of all the evidence and argument submitted, and relying upon the criteria set forth in Section 111.70 (4) (cm), Wisconsin Statutes, the Arbitrator has formulated this Award.

**ISSUE**

The single issue in dispute concerns the wage rates to be included in the parties' 1983-84 Agreement.

## POSITION OF THE PARTIES

### City Position

The City's final offer consists of no wage increase for the first year (calendar 1983) and a 5 1/2% increase for the second year (calendar 1984) of the Agreement.

Comparables. The City of Burlington (Pop. 8165) is located on the western boundary of Racine County. It believes that the following cities are appropriate comparables: Elkhorn, Delevan, and Lake Geneva. It argues that they have the same general character, population and economic context as does Burlington. However, the City asserts, Sturtevant, Union Grove, and other villages abutting eastern portions of Racine County are not appropriate comparables, nor is the City of Whitewater. The City also rejects the use of counties as comparables since their territory, mix of services, and form of government are not parallel to those of a city such as Burlington.

Wages. The Burlington Common Council adopted a 1983 wage freeze for city employees in Spring, 1982. Its principle reason for doing so was the high unemployment rate for Wisconsin in general (11.3% in September, 1982) and for Racine County in particular (15.2% in September, 1982).

To offset the impact of the freeze, the City guaranteed that there would be no layoffs in 1983. Benefit amounts continued to increase through longevity. And generally, non-represented employee wages were also frozen for the same period.

The City acknowledges the continuation of street improvements during 1983, but characterizes these expenditures as part of an ongoing program to eliminate costly annual street repairs. It emphasizes that such improvements were not made in lieu of a 1983 wage increase. Moreover, the City asserts, other capital expenditures made during 1983 were not related to the wage freeze.

With respect to wages in comparable cities, Burlington is ahead of both Elkhorn and Delavan for 1982 and 1983, and is competitive with Lake Geneva. And with respect to benefits, Burlington employees enjoy a package equal to or better than that offered by the three comparable cities.

### Union Position

The Union's final offer consists of a 5% wage increase for each year of the 1983-1984 Agreement.

Comparables. The Union has identified the following municipalities as the appropriate comparables pool: Cities of Lake Geneva, Union Grove, Sturtevant and Whitewater; Counties of Racine and Walworth. It believes that the four cities are comparable to Burlington with respect to population and proximity, and asserts that they provide a balanced comparables group. Regarding Racine and Walworth Counties, the Union argues that they draw employees from the same areas as does Burlington.

Wages. The Union notes that Burlington employees' wages are below those paid in Sturtevant, Union Grove and Whitewater. And in Lake Geneva, though the wage rate is slightly lower than that in Burlington, the benefit package is greater. Moreover, the Union argues, Burlington's 1982 wage rate was lower than that paid in Racine and Walworth Counties.

The City's 1983 wage offer would cause Burlington employees to fall behind their counterparts in comparable communities. In contrast, the Union's offer would allow them to maintain their relative position in that group. It would not improve their position, since the increase sought by the Union (5%) is equivalent to or perhaps a little lower than the average 1983 increase in comparable communities.

Finally, the Union argues, the City enjoyed a substantial increase in revenues for 1983, and used those resources for everything but employee salaries.

## DISCUSSION

### Appropriate Comparables

Both geographical proximity and size as measured by population are among the consistently used indicators of comparability. Table I has been constructed to evaluate all proposed comparable communities on the basis of population.

TABLE I

#### PROPOSED COMPARABLES BY SIZE

<u>Municipality</u>	<u>Population</u>
Burlington	8165
(Union Proposed)	
Lake Geneva	5558
Union Grove	3477
Sturtevant	3998
Whitewater	12052
Racine County	172246
Walworth County	72209
(City Proposed)	
Lake Geneva	see above
Elkhorn	3992
Delevan	5526

On the size dimension at least, the City of Burlington is somewhat comparable to all of the proposed cities. Moreover, use of each city in the Table as a comparable is within the size tolerance suggested by both parties as appropriate. For example, the City argues that Elkhorn is an appropriate comparable. It is about 4100 residents smaller than Burlington. Yet Whitewater, the largest comparable proposed by the Union, is only about 3900 residents larger than Burlington. All other proposed comparable cities, with the exception of Union Grove, are within those tolerance levels.

Obviously, both Racine and Walworth Counties are too large for meaningful comparison to the City of Burlington. However, since Burlington rests almost in the middle of the area jointly encompassed by both Counties, they should be considered as secondary comparables.

Geographic proximity to Burlington is another important reflector of comparability. As this Arbitrator has stated previously:

It is generally assumed that market conditions are the dominant influence on the outcome of labor negotiations. And, since interest arbitration is designed to approximate the outcome of negotiations conducted entirely under free collective bargaining, it is appropriate to evaluate the influence of economic pressures exerted on the parties by the market in which they operate. For example, if a ... (city) offers a wage significantly below that offered by others which compete for the same employees, the employees would have some incentive to move to the ... (cities) offering the higher wage. The employer might then be motivated to offer a wage increase in order to retain the employees. But obviously, employees are not perfectly mobile. There are geographical limits to how far they will move for higher wages or improved working conditions. This serves to illustrate the fact that labor markets have their geographical limits. Employers in one labor market do not compete for employees with employers in another. Thus, it makes good sense to use geographical proximity as one of the tests of comparability. (Montello School District, Briggs, 1983)

The Arbitrator notes that while Union Grove is slightly outside of the previously discussed size parameters, it is about the same distance from Burlington as all three City-proposed comparables (Delevan, Elkhorn & Lake Geneva). And none of the comparable cities proposed by either party is distant enough to be outside of the labor market in which the City of Burlington competes for employees. The farthest appears from the map to be Whitewater, which is about 26 miles away.

Furthermore, the Arbitrator is not persuaded that the list of comparable communities should be limited to those west of the City of Burlington, as are those in the City's list. It cannot be assumed that wage earners in Burlington might be drawn to the West but not to the East in seeking work. In fact, the City acknowledged that many of its residents commute east for jobs in Racine.

The Arbitrator concludes on the basis of the foregoing that the following cities should be used as the primary comparables:

Lake Geneva  
Union Grove  
Sturtevant  
Whitewater  
Elkhorn  
Delevan

For secondary comparison it is appropriate to consider employment conditions in Racine and Walworth Counties.

#### Wages

Wages for calendar 1983 are the main focus of this arbitration, since the increases proposed by both parties for 1984 are nearly the same (Union - 5%; City - 5 1/2%). Thus, the main question before the Arbitrator is whether according to the City's offer there should be no wage increase for calendar 1983, or whether according to the Union's offer there should be a 5% increase for calendar 1983. Table II has been constructed to facilitate wage

comparison between the City of Burlington and comparable cities.

TABLE II  
HOURLY WAGE COMPARISON

<u>Municipality</u>	<u>1982 Wage</u> (year end)	<u>1983 Wage</u> (year end)	<u>Incr.</u>
Burlington <sup>1</sup> (Union Offer)	8.08/7.91/7.69	8.48/8.31/8.07	5%
Burlington <sup>1</sup> (City Offer)	8.08/7.91/7.69	8.08/7.91/7.69	0%
Lake Geneva <sup>2</sup>	7.94/7.13	8.50/7.63	7%
Union Grove	8.00	8.32	4%
Sturtevant	9.00	9.90	10%
Whitewater <sup>3</sup>	8.60/8.23	9.56/9.02	8%
Elkhorn <sup>4</sup>	7.87/7.27	8.26/7.63	5%
Delevan <sup>5</sup>	7.70/7.24	8.10/7.64	5-6%

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- 1 - Mechanic/Maintenance-Driver/Laborer
  - 2 - Mechanic/Driver-Janitor; the 7% increase is structured, which converts to about a 5% increase in actual pay.
  - 3 - 1982 rates are averages between max. & min.; 1983 rates are max., since no min. was provided in record.
  - 4 - Operator-Foreman/Crewman-Custodian; 1983 rates reflect June 30, 1983, Agreement expiration and two years' service.
  - 5 - 1983 rates effective Jan. 1; increase approximately 6% effective Jan. 1, 1984.

The multiple footnotes above reflect the difficulty of comparing wage rates between one municipality and another. There are differing job titles and the record does not contain descriptions of the various duties associated with each job. Accordingly, comparison of wages among communities must be done here on a generalized basis.

On balance, Table II supports the Union's final offer. None of the comparable cities froze 1983 wages. The lowest 1983 increase was Union Grove's 4%, but acceptance of the Union's offer at Burlington would not catapult Burlington employees ahead of their Union Grove counterparts. Indeed, it appears from Table II that acceptance of the Union's offer would allow Burlington employees to maintain about the same respective place for 1983 wages as they occupied for 1982 wages. In contrast, acceptance of the City's offer would reduce their respective wage position.

Consideration of the secondary comparables also reflects favorably upon the Union's offer.

Benefits. Both parties included benefit comparisons in support of their respective positions on the wage issue. And, since wages are only one part of overall compensation, it is appropriate to consider such data.

The results of benefit package comparison are mixed. For example, Burlington employees receive nine paid holidays per year. Only one other city (Whitewater) provides an equal amount to its employees; the remainder offer more. On the other hand, Burlington employees enjoy fully-paid health, dental and prescription insurance; only one other city (Sturtevant) provides its employees with comparable fully-paid coverage. Examination of other benefits yields mixed results as well, and does not alter the tentative conclusion reached above that the Union's offer is the more appropriate.

#### Other Statutory Criteria

Comparison of the parties' respective offers with wages and other relevant factors in comparable communities is only one of the statutory criteria upon which the Arbitrator must base his decision. The following paragraphs discuss application of the additional criteria to the merits of this case.

(a) The lawful authority of the City of Burlington is not in dispute.

(b) The parties have stipulated to all other terms of their 1983-84 Agreement except the wage issue discussed herein.

(c) The City does not claim it is unable to meet the Union's wage demand. It does, however, argue that a 1983 wage freeze reflects its concern for fiscal responsibility. The Arbitrator understands that municipalities have a legitimate concern to minimize expenditures. There are citizen pressures to do so. However, the long-term effect of paying a non-competitive wage to city employees would be more costly to a municipality than would the short-term effect of paying a competitive wage. Simply put, the Arbitrator is just not convinced from the record that a wage freeze for 1983 would benefit the public interest in the City of Burlington.

(d) The parties did not present any conclusive arguments regarding comparisons with other City of Burlington employees, nor did they present persuasive arguments with respect to the cost of living.

(e) No relevant changes in any of the foregoing during the pendency of the arbitration proceedings were brought to the Arbitrator's attention.

(f) The last statutory criterion concerns other factors traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining. Under this criterion the City points to the high unemployment rate as justification for a wage freeze. Again, however, the City's offer would cause a decline in its employees' wage position with respect to their counterparts in comparable communities. And those comparable communities wrestle with economic conditions no more favorable than those facing the City of Burlington.

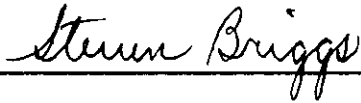
#### Concluding Comments

On balance, and based upon the foregoing consideration of evidence and arguments under the statutory criteria, the Arbitrator concludes that the Union's final offer is the more reasonable.

**AWARD**

The Union's final offer shall be incorporated into the parties' 1983-84 Agreement along with the previous Agreement provisions which remain unchanged and along with the stipulated changes agreed to by the parties.

Dated at Shorewood, Wisconsin this 20th day of February, 1984.



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Steven Briggs  
Mediator-Arbitrator