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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In The Matter Of The Petition Of

LOCAL NO. 216-K, AFSCME,  
ASHLAND CITY HALL EMPLOYEES

To Initiate Arbitration  
Between Said Petitioner

Decision No. 24645-A

-and-

CITY OF ASHLAND (CITY HALL)

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Appearances: James Ellingson, Staff Representative, for the Union  
Scott Clark, City Attorney, for the Employer

Local No. 216-K, AFSCME, Ashland City Hall Employees, hereinafter referred to as the Union, filed a petition with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, alleging that an impasse existed between it and the City of Ashland (City Hall), hereinafter referred to as the Employer, in their collective bargaining. It requested the Commission to initiate arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. A member of the Commission's staff has conducted an investigation in the matter and submitted a report to the Commission.

At all times material herein the Union has been and is the exclusive collective bargaining representative of certain employees of the Employer in a collective bargaining unit consisting of all regular full-time and part-time clerical and maintenance employees employed in the City Hall excluding supervisors and confidential employees. The Union and the Employer have been parties to a collective bargaining agreement covering wages, hours and working conditions of employees in the unit that expired on December 31, 1986. On October 8, 1986 the parties exchanged their initial proposals on matters to be included in the new collective bargaining agreement. Thereafter the parties met on two occasions in efforts to reach an accord. On April 8, 1987 the Union filed a petition requesting arbitration and on May 28, 1987 an investigation was conducted. It reflected that the parties were deadlocked in their negotiations. The parties submitted their final offers to the Commission and the investigation was closed.

The Commission concluded that an impasse exists between the parties with respect to the negotiations leading toward a new collective bargaining agreement. It ordered that arbitration be initiated for the purpose of issuing a final and binding award to resolve the impasse and the parties were directed to select an arbitrator. Upon being advised that the parties had selected Zel S. Rice II, Sparta, Wisconsin, the Commission appointed him as the arbitrator on July 14, 1987 and order him to issue a final and binding award to resolve the impasse by selecting either the total final offer of the Union or the total final offer of the Employer. An arbitration hearing was conducted at the City

Hall in Ashland, Wisconsin, and both parties were given an opportunity to present evidence.

The total final offer of the Union, attached hereto and marked Exhibit A, proposed a two year contract covering 1987 and 1988. It proposed a 2 percent increase on all wage rates on January 1, 1987 and 2 percent increase on July 1, 1987 and 2 percent on January 1, 1988 and 2 percent on July 1, 1988. The Union proposed President's Day as a twelfth paid holiday and the addition of a 5 percent longevity step after twenty-five years. It proposed that the agreement be amended to provide that the Employer would pay the difference between Workers Compensation disability pay and the employee's normal base pay salary for a period of time not to exceed twenty-four working weeks. The final offer of the Employer, attached hereto and marked Exhibit B, proposed that the current collective bargaining agreement be amended to provide a 2.8 percent increase on January 1, 1987 and a 2.8 percent increase on January 1, 1988.

Ashland County paid its custodian \$7.80 per hour in 1986 and began paying \$8.03 per hour on January 1, 1987. It paid a dispatcher \$6.70 per hour in 1986 and continued that rate on January 1, 1987. However, the position of dispatcher was moved to the protective service bargaining unit and became eligible for that retirement plan. Ashland County paid a secretary \$7.71 an hour at the end of 1986 and on January 1, 1987 it paid the position \$7.94 per hour. A bookkeeper received \$9.28 an hour at the end of 1986 and \$9.56 an hour on January 1, 1987. The bookkeeper/secretary in the sheriff's department received \$8.25 an hour in 1986 and \$8.50 an hour on January 1, 1987. The deputy clerk received \$8.55 an hour at the end of 1986 and \$8.81 an hour on January 1, 1987.

The Employer proposes to pay its custodian \$5.35 an hour on January 1, 1987 and \$5.50 an hour on January 1, 1988. It proposes to pay its maintenance employee \$7.28 an hour on January 1, 1987 and \$7.48 per hour on January 1, 1988. The dispatcher would receive \$7.28 per hour on January 1, 1987 and \$7.48 per hour on January 1, 1988. The secretary/receptionist is a part-time, job sharing position and it would receive \$7.47 an hour on January 1, 1987 and \$7.68 per hour on January 1, 1988. The secretary/receptionist for the mayor and clerk would receive \$7.82 per hour on January 1, 1987 and \$8.04 per hour on January 1, 1988. The police department records clerk would receive \$8.66 per hour on January 1, 1987 and \$8.90 per hour on January 1, 1988. The bookkeeper is a computer account technician and it is a part-time position. That position would receive \$8.30 an hour on January 1, 1987 and \$8.53 on January 1, 1988. The deputy clerk is a part-time, job sharing position and the salary for it would be \$9.55 per hour on January 1, 1987 and \$9.82 per hour on January 1, 1988. The maintenance supervisor would receive \$9.79 per hour on January 1, 1987 and \$10.06 per hour on January 1, 1988. The deputy treasurer would receive \$11.81 per hour on January 1, 1987 and \$12.14 per hour on January 1, 1988. The civil technician would receive \$12.28 per hour on January 1, 1987 and \$12.62 on January 1, 1988. The Department of Public Works clerk would receive \$9.14 an hour on January 1, 1987 and \$9.40 per hour on January 1, 1988.

The Union's proposal would provide a salary for the custodian of \$5.30 an hour on January 1, 1987; \$5.41 per hour on July 1, 1987; \$5.52 per hour on January 1, 1988; and \$5.63 per hour on July 1, 1988. The maintenance position would receive \$7.22 per hour on January 1, 1987; \$7.36 per hour on July 1, 1987; \$7.51 per hour on January 1, 1988; and \$7.66 per hour on July 1, 1988. The dispatcher would be paid the same as the maintenance position. The secretary/receptionist would receive \$7.42 an hour on January 1, 1987; \$7.57 an hour on July 1, 1987; \$7.72 an hour on January 1, 1988; and \$7.87 on July 1, 1988. Another secretary/receptionist would receive \$7.76 per hour on January 1, 1987; \$7.92 per hour on July 1, 1987; \$8.08 per hour on January 1, 1988; and \$8.24 per hour on July 1, 1988. The police department records clerk would receive \$8.59 an hour on January 1, 1987; \$8.76 per hour on July 1, 1987; \$8.94 on January 1, 1988; and \$9.12 per hour on July 1, 1988. The bookkeeper would receive \$8.76 per hour on January 1, 1987; \$8.94 per hour on July 1, 1987; \$9.12 per hour on January 1, 1988; and \$10.06 per hour on July 1, 1988. The maintenance supervisor would receive \$9.71 per hour on January 1, 1987; \$9.90 per hour on July 1, 1987; \$12.19 per hour on January 1, 1988; and \$12.43 per hour on July 1, 1988. The civil technician would receive \$12.19 per hour on January 1, 1987; \$12.43 per hour on July 1, 1987; \$12.68 per hour on January 1, 1988; and \$12.93 per hour on July 1, 1988. The Department of Public Works clerk would receive \$9.07 per hour on January 1, 1987; \$9.25 per hour on July 1, 1987; \$9.44 per hour on January 1, 1988; and \$9.63 per hour on July 1, 1988.

Sawyer County established a position of custodian III on January 1, 1987. It will pay the position \$7.21 per hour on January 1, 1987; \$7.25 per hour on December 1, 1987; \$7.40 per hour on January 1, 1988; and \$7.47 per hour on July 1, 1988. The custodian II received \$7.09 per hour in 1986. The position will receive \$7.78 per hour on January 1, 1987; \$7.82 per hour on December 1, 1987; \$7.98 per hour on January 1, 1988 and \$8.06 per hour on July 1, 1988. The custodian I received \$8.33 per hour in 1986. The position has been reclassified and it will receive \$9.25 per hour on January 1, 1987; \$9.30 per hour on December 1, 1987; \$9.49 per hour on January 1, 1988; and \$9.58 per hour on July 1, 1988. A dispatcher in Sawyer County received \$9.01 per hour in 1986. The position will receive \$9.24 per hour on January 1, 1987; \$9.29 per hour on December 1, 1987; \$9.48 per hour on January 1, 1988; and \$9.57 per hour on July 1, 1988. The secretary/receptionist III received \$7.03 per hour in 1986. The position will receive \$7.21 per hour on January 1, 1987; \$7.25 per hour on December 1, 1987; \$7.40 per hour on January 1, 1988; and \$7.47 per hour on July 1, 1988. The secretary/receptionist II received \$8.04 per hour in 1986. The position will receive \$8.24 per hour on January 1, 1987; \$8.28 per hour on December 1, 1987; \$8.45 per hour on January 1, 1988; and \$8.53 per hour on July 1, 1988. The clerk/secretary I will receive \$9.02 per hour during 1986. The position will receive \$9.25 per hour on January 1, 1987; \$9.30 per hour on December 1, 1987; \$9.49 per hour on January 1, 1988; and \$9.58 per hour on July 1, 1988. The payroll clerk received \$8.48 per hour in 1986. The position will be paid \$8.69 per hour on January 1, 1987; \$8.73 per hour on December 1, 1987; \$8.90 per hour on January 1, 1988; and \$8.99 per hour on July 1, 1988.

The Ashland School District has not reached a settlement with its nonprofessional people for the 1987-88 school year. In 1986 it paid a custodian I \$9.35 an hour, a custodian II \$7.26 per hour, a chief maintenance employee \$10.39 per hour, a maintenance man \$10.01 per hour, a chief custodian, high school \$10.01 per hour, and a groundskeeper \$10.01 per hour.

The school bus drivers at Maple received a 3 percent increase on July 1, 1987 and will receive another 1.5 percent increase on January 1, 1988.

Bayfield County gave its courthouse employees increases on January 1, 1987. The salaries were \$9.14 an hour for a custodian, \$9.42 an hour for a dispatcher, \$8.26 per hour for a secretary/receptionist, \$9.12 per hour for a secretary/receptionist, \$10.55 an hour for a bookkeeper, \$9.62 per hour for a deputy clerk and \$9.62 for a deputy treasurer.

Ashland County gave its Highway Department employees a 30 cent per hour or 3 percent wage increase in 1987. The courthouse employees received a 3 percent wage increase on January 1, 1987. Ashland County's nonprofessional social services and nursing employees received a 5 percent increase on January 1, 1987. Ashland County gave its nurse a 3 percent increase on January 1, 1987 and a 2 percent increase on July 1, 1987. Its social workers are in mediation/arbitration and the union has proposed a 7 percent increase on January 1, 1987 and another 3 percent increase on July 1, 1987. The county has proposed a 5.6 percent increase on January 1, 1987. Ashland County froze the monthly wages of its law enforcement personnel but changed the work schedule from six days on and two days off to five days on and two days off. Its actual cost for law enforcement employees increased 5.5 percent. The Ashland Water Utility received a 2.8 percent increase January 1, 1987 and a fifth step of longevity was added after twenty-five years. The Water Utility also agreed to pay full family health insurance upon retirement due to disability until Medicare commences. The Employer's police had their wages frozen in 1987 and the Employer agreed to pay the single health insurance premium from retirement until Medicare commences. The Ashland School District gave its custodial and maintenance employees a 3.8 percent increase on July 1, 1986 and it has not reached agreement for the 1987-88 school year. The Ashland School District food service employees received a 3.8 percent increase on July 1, 1986 and they have not reached agreement for the 1987-88 school year. The City of Ashland Department of Public Works is in arbitration with its employees for 1987.

Sawyer County gave its nonprofessional social service employees a 2.5 percent increase on January 1, 1987, a .5 percent increase on December 1, 1987, a 2 percent increase on January 1, 1988 and 1 percent increase on July 1, 1988. Its income maintenance workers received an additional 10 cents an hour increase on January 1, 1987 and January 1, 1988. Sawyer County gave its highway employees, law enforcement employees, professional employees and courthouse employees the same wage increase it gave to the nonprofessional social services employees except that they did not receive the additional 10 cents per hour on January 1, 1987 and January 1, 1988 that went to the income maintenance employees.

Bayfield County agreed to give its courthouse employees and law enforcement employees a 3 percent increase on January 1, 1987, full fringe benefits for those employees who worked 75 percent of the normal schedule and prorated fringe benefits for employees who worked between 50 percent and 75 percent of the normal schedule. The law enforcement personnel had their meal allowance increased by \$5.00 per month to a total of \$70.00. Iron County gave its courthouse employees, highway employees and law enforcement employees a three year agreement covering the period from 1987 through 1989. It maintained the COLA provision that generates 1 cent per hour for every .3 increase in the Consumer Price Index. The highway employees were given an additional \$25.00 per year clothing allowance on January 1, 1988. Law enforcement employees received an additional \$15.00 per year clothing allowance on January 1, 1988 and another \$15.00 on January 1, 1989. The law enforcement personnel received shift differential increases of 5 cents an hour for the second shift and 25 cents per hour for the third shift. The Hurley Department of Public Works and Police Department employees agreed on three year contracts covering 1987 through 1989. They agreed to maintain the COLA clause that generates 1 cent per hour for every .3 increase in the Consumer Price Index. The Hurley support staff received a 4 percent increase on July 1, 1987. That was the third year of a three year contract.

The Superior Department of Public Works employees received a 3 percent increase on wages on January 1, 1987. Sewage plant assistant operators, land fill attendants, garbage truck tipper and curling rink attendant received additional adjustments. Superior City Hall employees received 3 percent increases on January 1, 1987. Douglas County social service employees and professional employees received a 3 percent increase on January 1, 1987. The Middle River Health Care Facility employees received a 3 percent increase on January 1, 1987. The Superior Housing Authority employees received a 2 percent increase on all wage rates on January 1, 1987 and a 2 percent increase on July 1, 1987. They also received a fifth longevity step after twenty-five years of employment. The Superior School District support staff received a 4 percent increase on all wage rates on July 1, 1986 but they have not reached agreement for the 1987-88 school year.

The City of Superior paid a clerk steno \$7.78 per hour in 1986 and that wage was increased to \$8.01 per hour on January 1, 1987. A key punch operator received \$8.09 per hour in 1986 and the wage was increased to \$8.33 per hour on January 1, 1987. A computer operator received \$8.42 per hour in 1986 and the wage was increased to \$8.67 per hour on January 1, 1987. An account clerk I received \$8.62 an hour in 1986 and was increased to \$8.88 per hour on January 1, 1987. An account clerk II received \$9.24 per hour in 1986 and was increased to \$9.52 per hour on January 1, 1987. The deputy city clerk received \$10.05 per hour during 1986 and was increased to \$10.35 per hour on January 1, 1987. The dispatchers received \$9.79 per hour in 1986 and were increased to \$10.08 on January 1, 1987. Those dispatchers that were hired after January 1, 1986 received \$8.21 per hour in 1986 and were increased to \$8.46 per hour on January 1, 1987. The City of Superior paid the museum janitor \$7.62 per hour in 1986

and increased that wage to \$7.85 on January 1, 1987.

Douglas County paid its zoning secretary \$7.66 an hour in 1986 and increased that to \$7.89 per hour on January 1, 1987. The cashier/clerk in the county treasurer's office received \$7.99 per hour in 1986 and was increased to \$8.23 per hour on January 1, 1987. Another cashier/clerk in the county treasurer's office received \$8.32 per hour in 1986 and was increased to \$8.57 an hour on January 1, 1987. A deputy received \$8.97 per hour in 1986 and was increased to \$9.24 per hour on January 1, 1987. The maintenance I employee received \$8.63 per hour in 1986 and was increased to \$8.89 per hour on January 1, 1987. A maintenance II employee received \$8.40 per hour in 1986 and was increased to \$8.65 per hour on January 1, 1987. A maintenance III employee received \$7.76 per hour in 1986 and was increased to \$8.10 per hour on January 1, 1987. A maintenance IV employee received \$7.45 per hour in 1986 and was increased to \$7.67 per hour on January 1, 1987.

The Employer's health insurance premium is \$188.18 per month for family coverage and \$73.80 for single coverage. The dental insurance premium is \$22.40 per month for family coverage and \$7.33 per month for single coverage. The Employer pays 90 percent of the premium. The family health insurance premium paid by other public employers in the City of Ashland, Ashland County, Bayfield County, the City of Superior, Douglas County, Sawyer County, Iron County and the City of Hurley range from a low of \$150.34 per month in Bayfield County to a high of \$253.18 per month in Hurley. The single premiums range from a low of \$60.90 per month in Bayfield County to \$111.91 per month in Iron County. The dental insurance premiums for family coverage range from a low of \$23.96 per month in the Superior School District to a high of \$50.00 in the Hurley School District. The dental insurance single premium ranges from a low of \$7.10 per month in the Superior School District to \$20.00 in the Hurley School District. Most of those public employers pay 100 percent of the health insurance and dental insurance premiums.

The Worker's Compensation supplements in the Lake Superior District of the American Federation of State, County and Municipal Employees vary. Ashland County pays full salary and benefits for up to one year and the employee returns the Worker's Compensation check to the employer. Other municipal employers pay full wages and benefits for lesser periods. Some municipal employers only continue fringe benefits for those employees receiving Worker's Compensation. Other municipal employers use sick leave to make up the difference between Worker's Compensation and the regular pay checks and the fringe benefits continue as long as the sick leave is available.

Longevity is not uniform in the Lake Superior District. The Employer pays 1 percent after five years, 2 percent after ten years, 3 percent after fifteen years and 4 percent after twenty years. Ashland County and the Ashland Water Utility add a fifth step after twenty-five years. The Ashland School District pays \$20.00 per month after fifteen years and \$25.00 per month after twenty years. The City of Superior provides a 14 cents per hour longevity payment

after five years and it increases every five years until it reaches 26 cents per hour after twenty-five years. There does not seem to be any uniform pattern for longevity in the Lake Superior District of the American Federation of State, County and Municipal Employees although most public employers have some sort of longevity program. The maximum payments are achieved after periods ranging from twenty years to thirty years.

The number of paid holidays in the Lake Superior District range from a low of ten in Hurley and the Ashland School District to a high of thirteen and one-half in Douglas County.

The State of Wisconsin rates each community within the State to determine their Community Development Block Grant Fund eligibility. The allocation of small city Community Development Block Grant Funds are distributed based upon the comparative ranking of the communities who make application for these block grants. The maximum number of points that a community can get is 210 points in Distress Score Analysis. The factors that make up the analysis include the net mill rate, the per capita full value, the percentage of households in need of assistance, the per capita income, the percentage of persons in poverty and the unemployment rate. The City of Ashland has received 203 out of a possible 210 points in the Distress Score Analysis and has the highest distress score in the State of Wisconsin.

In 1970 the Employer had 31.7 percent of its population under eighteen, 51.9 percent of its population between the ages of eighteen and sixty-four and 17 percent over sixty-five. In Ashland County 34 percent of the population in 1970 was under eighteen, 50.2 percent was between the ages of eighteen and sixty-four and 15 percent of the population was over sixty-five. In 1970 the State of Wisconsin had 35.8 percent of its population under eighteen, 53.4 percent of the population between the ages of eighteen and sixty-four and 10 percent over sixty-five. By 1980 26 percent of the Employer's population was under eighteen, 54 percent was between the ages of eighteen and sixty-four and 20 percent was over sixty-five.

In addition to wages, the overall compensation provided by the Employer to the bargaining unit includes such benefits as job security, vacations, compensatory time, sick leave, health and life insurance benefits and disability insurance, holidays, longevity pay, leaves of absence, retirement and a thirty-five hour work week.

The Employer is classified in the nonmetro urban category. A nonmetro urban area is one with an urban population of less than 50,000. In May of 1987 the rate of increase in the Nonmetro Urban Index was 2.5 percent and in June of 1987 it had increased to 2.8 percent.

The Employer has a one year agreement with its Police Department bargaining unit for 1987. It provides no salary increase. The police received the same retirement and health insurance provisions that the firefighters received. It

provides single premium insurance coverage from retirement to Medicare for those employees employed before January 1, 1987. The estimated cost of this benefit is equivalent to a 2.8 percent salary increase for the police. The Employer reached a one year agreement with its firefighters and it provided that they would receive the Fair Labor Standards Act pay in 1987. That amounted to approximately a 2.8 percent pay increase. The employees received an increase in holiday pay from \$50.00 to \$60.00. The firefighters continue to have a total of ten holidays.

Ashland County reached agreement with its courthouse employees on a 3 percent increase. They all work thirty-five hours a week except custodians who work forty hours per week. The State of Wisconsin reached a two year agreement with its employees that provided a 2.1 percent increase in 1987 and a 2 percent increase in 1988. The Employer provided its nonunion and administrative personnel and officers with 1987 salary increases of 2.2 percent.

The Employer's proposal of a 2.8 percent increase in 1987 cost \$5,158.69 and the 2.8 percent increase in 1988 cost \$5,303.14. The impact of that proposal would increase the Employer's retirement cost for the bargaining unit by \$629.36 in 1987 and \$646.98 in 1988. In 1986 the Employer's health insurance premium for family coverage was \$179.72 and it was \$70.48 a month for single coverage. In 1987 the family premium increased to \$188.18 which is an increase of 5 percent and the single premium increased to \$73.80 which is an increase of 5 percent. In 1988 the family premium increases to \$222.05 per month which is an 18 percent increase and the single premium increases to \$37.08 which is an increase of 18 percent. In 1986 the Employer's Social Security costs were \$13,173.10. Under the Employer's 1987 proposal the cost would be \$13,541.94, which is an increase of \$368.84. In 1988 the cost of the Social Security contribution would be \$14,622.04 which is an increase of \$1,080.10 over the preceding year. The total percentage increase of the Employer's proposal in 1987 would be 3.84 percent and in 1988 it would be 5.84 percent. That is a 9.68 percent total package cost increase in a two year period.

The Union's proposal has a 1987 payroll cost of \$189,803.14 which would be an increase of \$5,564.02 or 3.02 percent over the preceding year. In 1988 the Union's proposal would have a payroll cost of \$197,471.18 which is an increase of \$7,668.04 or 4.04 percent over the preceding year. This represents an actual 7.06 percent cost increase but has an 8.24 percent lift over the 1986 level. The Employer's retirement cost increase would be \$678.81 or .37 percent in 1987 and \$935.50 or .49 percent in 1988. Because of the lift factor, the 1989 cost would increase \$1,174.03 or .64 percent without any increase in salary. The Union's proposal would increase the Employer's Social Security costs in 1987 by \$397.82 or .22 percent and by \$1,259.17 in 1988 or .66 percent. The one additional holiday requested by the Union would increase the Employer's holiday cost by \$787.84 or .42 percent. The Union's longevity proposal of 5 percent after twenty-five years has no cost in 1987 or 1988 but would have long range impact on this unit and might result in similar requests by other bargaining units which would have an immediate cost impact. The Union proposal would have an



11.68 percent total package cost increase over two years plus the impact on 1989 cost due to the salary lift plus the long range impact of the longevity increase in future years.

The Employer has budgeted 2.2 percent for salary increase for 1987 and 2.8 percent for salary increases for 1988. The Employer is 5.8 percent over the amount it budgeted for salaries in 1987. The Employer has a class and compensation plan that is designed to equate the work done by the various jobs and creates relationships between the wages for positions based on the work performed. It is designed to provide equal pay for equal work and it provides for some wage progression in three years plus longevity payments. Occasionally some positions are reevaluated and reclassified under the class and compensation plan, depending on the responsibility of the position.

#### UNION'S POSITION

The Union argues that Ashland County, Iron County, the City of Hurley, Bayfield County, Douglas County, Burnett County, Sawyer County, and the City of Superior make up the proper comparable group to which the Employer should be compared. It contends that the internal comparables are not valid because the firefighters are in a weak bargaining position because of the possibility that they will eventually be replaced. The Union takes the position that the agreement between the Employer and its police department was not a realistic comparable because the value of the settlement has not been accurately portrayed. It asserts that the current health insurance premiums of the Employer are well within the normal range and an 18% increase in premiums is not excessive. The Union points out that the Employer's insurance rates are lower than several communities in the comparable group. It argues that the roll up costs of retirement and social security should not be considered because all settlements in the area have those costs in addition to the wage increases. The Union takes the position that the actual increases resulting from its proposal would be less than the increases of higher paid units that generate more cents per hour from the 3% increases given to employees. It contends that the non-metro cost of living figure used by the Employer is not proper because the composite total for the United States is traditionally utilized. The Union argues that the survey used by the Employer indicating that it is one of the most distressed cities in the State of Wisconsin is misleading because it does not make any differentiation among the component parts of the local property tax and deals only with income and not disposable income. It takes the position that all of northwestern Wisconsin is a distressed area and the Employer is no worse off than the other communities in the comparable group. The Union asserts that 3% was the normal increase in the area and a few communities granted increases beyond that.

The Union argues that its proposal for 12 holidays is not unusual in the area because many communities in the comparable group give their employees 12 holidays and in some cases 13. The Union contends that the Ashland water utility and the Ashland County highway and law enforcement have a fifth longevity

step of 5% after 25 years and the Ashland County courthouse and social services units receive 10% longevity payments after 25 years. It asserts that the city hall employees have the poorest Workers Compensation supplement in the area and the Union's proposal is below the average.

#### EMPLOYER'S POSITION

The Employer argues that it cannot be reasonably expected to meet the demands of the Union's final offer. It contends that it should not be considered comparable to those lesser distressed governmental unit employers from the surrounding area. The Employer asserts that it is significantly more troubled economically than its counterparts in the area. It takes the position that its offer is all the traffic will bear under the current conditions. The Employer argues that its salary offer alone is greater than the May 1987 consumer price index for nonmetro urban areas and the total package cost of its offer is well in excess of that index. It argues that its offer is equal to or greater than the salary increases offered to its other bargaining units or employee groups. The Employer takes the position that the agreement it has reached with other bargaining units and employee groups establishes a pattern that should be followed in these proceedings. The Employer contends that the salaries of its employees are generally in the ballpark when compared with other Employers. It asserts that none of the municipal Employers with which it is compared have HMP medical insurance and its work week is shorter than most of the comparables proposed by the Union.

The Employer points out that none of its other bargaining units have 12 paid holidays or a fifth longevity step. It argues that the sheer size of the City of Superior and Douglas County make comparison of them with the Employer inappropriate. The Employer argues that the Ashland water utility is not comparable because its revenues do not come from tax revenues but from user fees. It points out that the 1986 collective bargaining agreement between the parties included a provision whereby the Employer paid the difference between the employees Workers Compensation disability check and his normal base salary for a period of time not to exceed 90 days and that language is identical to the language in its agreement with employees in the department of public works. It takes the position that there have been no problems with the current language and the status quo should be maintained. The Employer argues that its offer has a total package cost of 9.68% over two years including the increased cost of medical insurance premiums. It asserts that the Union's demand has a total cost over two years of 11.68% plus the hidden impact in 1989 resulting from the lift caused by the split increase.

#### DISCUSSION

At the close of the hearing the parties agreed that they would submit briefs and they would be exchanged by the arbitrator. The Union submitted its brief in the form of a letter dated October 29, 1987 and the Employer submitted its brief along with a letter dated October 27, 1987. On November 3, 1987 the

arbitrator forwarded the opposing party's brief to each of the parties. There had been no discussion at the hearing of any reply briefs nor had there been a discussion of a date on which the parties would no longer be permitted to submit additional material for the arbitrator to consider. In a letter dated November 2, 1987 the Union sent a letter to the arbitrator enclosing additional information for his consideration and requested that he delay writing his decision until the Employer could reply. The Union stated that if this was not satisfactory to the arbitrator or to the Employer, the hearing should be reopened so the new material could be considered. The Union's November 2nd letter was not received by the arbitrator until after the briefs of the parties had been exchanged. On November 9th the Employer submitted a letter acknowledging the exchange of briefs. In that letter it objected to the Union's attempt to supplement the record after the close of the hearing and it urged the arbitrator to ignore the new material submitted by the Union. On November 11, 1987 the Union wrote the arbitrator that the additional information provided by its letter of November 2, 1987 grew out of the arbitration hearing between the Employer and its department of public works bargaining unit. It stated that if the information contained in the Union letter of November 2nd was not accepted, the Union demanded that the hearing be reopened or the arbitrator remand the case back to the WERC for the selection of a new arbitrator. On November 17, 1987 the arbitrator wrote the Employer and the Union that he would not remand the case back to the WERC for the selection of a new arbitrator but would dispose of the issues himself. Accordingly, he directed that each of the parties submit a brief on the issue of pendency and he would decide if he was going to receive the material submitted by the Union. On November 23, 1987 the Employer sent the arbitrator a letter enclosing additional information for the arbitrator to consider. In a letter dated November 30th the Union included additional information that it wished the arbitrator to consider and it submitted as part of its brief a letter of Arbitrator James Stern addressed to Madison Teachers, Inc. and Madison Metropolitan School District dated March 8, 1985 that dealt with the issue of material submitted during the pendency of the arbitration proceedings. The Union took the position that unless there was a cut off date for new information or an agreement to exclude information, an arbitrator must accept information offered by a party if the opposing party has the opportunity to verify the accuracy of the information and to brief its relevancy if the new information grows out of the arguments of the parties at the original hearing. In a letter dated December 2, 1987 the Employer argued that none of the data forwarded to the arbitrator after the date the briefs were due should be considered by the arbitrator. It took the position that most of the new material submitted in the Union's letter of November 2, 1987 was available to it at or during the hearing on September 23, 1987.

After review of the briefs submitted by the Union and the Employer the arbitrator has concluded that he will not reopen the hearing for the purpose of permitting the introduction of new evidence presented to him subsequent to the exchange of briefs but prior to issuing the arbitration award. The Wisconsin legislation is designed to encourage the parties to reach agreements through bargaining. If settlement is not reached by the time that the final offers are

certified by the Wisconsin Employment Relations Commission, each party is stuck with its offer unless there is agreement to modify it. Those offers are based on the information that is available to the parties when they are made. Settlements and other evidence that becomes available to the parties after the submission of final offers but prior to the hearing are ordinarily introduced without objection at the hearing. Arbitrators occasionally ask for and receive information after the close of the hearing that was not made available to them at the hearing. The normal practice in arbitration is that the hearing is closed when briefs are submitted. In the absence of an agreement between the parties or a direction by the arbitrator, reply briefs are not submitted. In this case there was no discussion or understanding between the parties about the submission of material other than the brief for his consideration after the close of the hearing. There was no agreement or understanding about the submission of reply briefs. When the briefs were received by the arbitrator on November 2, 1987 and exchanged by him on the following day, the hearing was closed. No additional material could be submitted by either party for consideration by either party unless both parties agreed or unless the arbitrator felt that additional information was necessary for him to make an award. Neither of those circumstances exists in this case. Each of the parties has submitted additional information for consideration by the arbitrator after the date that the briefs were received. There is no agreement between them that the additional information should be permitted and the arbitrator is satisfied that he can make a proper award in this matter based on the evidence submitted to him at the hearing on September 23, 1987. Accordingly the information submitted to the arbitrator by each of the parties subsequent to November 2, 1987 will not be considered by the arbitrator.

The final offer of the Employer proposes a two year collective bargaining agreement with an increase of 2.8% on January 1, 1987 and 2.8% on January 1, 1988. The Union proposes a two year contract that calls for an increase of 2% on January 1, 1987, 2% on July 1, 1987, 2% on January 1, 1988 and 2% on July 1, 1988. In addition it proposes to give all members of the bargaining unit a 12th paid holiday and a 5% longevity step after 25 years. It would amend the current workmen's compensation disability provision to provide the normal base pay of an employee for a period not to exceed 24 working weeks.

The Union proposes a comparable group, hereinafter referred to as Comparable Group A, consisting of Ashland County, Iron County, Bayfield County, Douglas County, Burnett County, Sawyer County, the City of Hurley and the City of Superior. It points to an arbitration award involving the Employer and its police bargaining unit in which the arbitrator utilized Comparable Group A as the standard to which the Employer should be compared. The Employer argues that it should not be held as economically comparable to the municipal employers in the surrounding geographic area that make up Comparable Group A. It points out that it has the highest net mill rate, the lowest per capita full value, the highest percentage of households in need of assistance, the lowest per capita income, the highest percentage of persons in poverty, and the highest unemployment rate in the area. The Employer's unpaid and delinquent taxes are

on the rise and it asserts that it must attempt to mitigate further spiraling of the cost of government. The evidence clearly establishes that the Employer is economically distressed. However the entire region is faced with economic distress and those municipal employers that make up Comparable Group A must also attempt to control the spiraling costs of government. All employees in an area, whether it is economically distressed or not, seek to at least maintain their standard of living in comparison with the surrounding communities. In developing the wage schedules for this bargaining unit both the Employer and the Union have had to consider the wages that other municipal employees in the area have been receiving. Those wage levels were not just produced in a vacuum. Consideration was given to the awards of arbitrators who utilized the wages paid by the municipal employers in the area in developing awards. A "pecking order" has been established as the result of bargaining that ranks which municipal employers pay the most and which ones pay the least and the relationships between all of them. While the Employer's circumstances may not be the same as the rest of those in Comparable Group A there is enough of a similarity between them based on economic considerations, population and geographic location to justify the consideration of Comparable Group A for purposes of external comparison.

The Union has demanded a 12th paid holiday as an improvement in working conditions. The old collective bargaining agreement provides for 11 paid holidays. The new collective bargaining agreements with the police and fire bargaining units continue the 11 paid holiday pattern that has been provided to all of the Employer's employees. The Department of Public Works bargaining unit has demanded a 12th holiday as part of its final offer presented for the purposes of arbitration and the Employer has proposed a continuation of the 11 holiday pattern. Arbitrators are not inclined to provide additional fringe benefits through arbitration that depart from the pattern established through bargaining by other bargaining units of the Employer. Employers are interested in maintaining uniform fringe benefits for all of their employees in order to avoid "whip sawing" and arbitrators have been sympathetic to that effort. The Union points out that the Ashland water utility has 12 paid holidays as do a number of the other bargaining units in Comparable Group A. Ashland County and the City of Superior have 12 paid holidays and the City of Hurley has ten paid holidays so there is no uniform pattern in Comparable Group A. While the issue of another paid holiday is not the type of issue that determines which proposal the arbitrator selects, the arbitrator finds the concept of maintaining uniform fringe benefits for all employees sufficient to justify the Employer's position on holidays as more reasonable than the Union's position.

The same rationale would apply to the issue of adding a 5% longevity step after 25 years. The Employer has had a collective bargaining agreement with the Union providing for longevity steps of 1% after five years, 2% after ten years, 3% after 15 years, and 4% after 20 years. That same longevity provision has been encompassed in the new collective bargaining agreement with the police and fire bargaining units and has been offered to the Department of Public Works bargaining unit. The evidence indicates that only the Ashland water utility and some of the Ashland County bargaining units have a fifth longevity step of 5% or

more after 25 years. That evidence is not sufficient to justify departure from the Employer's established pattern of maintaining uniformity in its longevity payments for all of its bargaining units.

The Union seeks to increase the length of time that the Employer provide supplemental benefits to employees receiving worker's compensation. The established pattern has been to provide supplemental payments to employees receiving worker's compensation for a period of up to 90 days. That pattern has been continued in the new collective bargaining agreement with the firefighter bargaining unit. The police bargaining unit has reached agreement with the Employer to extend the period that supplemental payments are made to employees receiving worker's compensation to 24 weeks as sought by the Union. The Department of Public Works bargaining unit has made a final offer in an arbitration proceeding seeking to extend the supplemental payments to 24 weeks. Most of the municipal employers in Comparable Group A provide supplemental payments to employees receiving worker's compensation that are equal to or better than those offered by the Employer. There is no established pattern in Comparable Group A but the benefits do appear to be for a somewhat longer period than offered by the Employer. There is no real pattern in Comparable Group A and no established internal pattern for the Employer. The arbitrator is satisfied that the issue is not a major one in these proceedings because supplemental payments to worker's compensation are not major factors in bargaining units consisting of city hall employees. The comparables would tend to support the Union's position but the arbitrator is not convinced that it has any more justification than the position of the Employer.

Wages are the real issue in this dispute. The evidence suggests that the Employer's salary for employees in this bargaining unit are very near the bottom of Comparable Group A. A close examination of the evidence reveals that most of the municipal employers in Comparable Group A pay higher wages than the Employer to employees performing similar tasks. The Employer ranks very near the bottom of Comparable Group A in a comparison of most of the individual positions. Those rankings were achieved through collective bargaining and reflect a recognition by the individual bargaining units of the amounts that they can expect their municipal employer to pay. Once the relationships between the wages paid by the various municipal employers to their different types of employees and the wage relationships between employees performing the same kind of work have been established through collective bargaining, an arbitrator is reluctant to disturb them. The statutory criteria indicate that arbitrators should make awards that would continue and maintain existing wage relationships in the absence of some unique circumstance that would justify giving a bargaining unit an increase that is either higher or lower than the pattern and creates new wage relationships between the employees of the various municipal employers in the comparable group.

The evidence establishes that a 3% increase in wages was the pattern in Comparable Group A for 1987. The Employer's proposal of 2.8% increase for 1987 and 2.8% for 1988 is somewhat lower than the pattern. The Union's proposal of

2% on January 1, 1987 and 2% on July 1, 1987 and 2% on January 1, 1988 and 2% on July 1, 1988 actually has a cost during 1987 of only 3%, which fits into the pattern very well. However it provides a lift of 4% during that one year period which is reflected in the 1988 cost to the Employer. The Union's proposal for 1988 provides an increase of only 3% over the closing wage level of 1987 but it has a cost in 1987 of substantially more than 3% because it is added on to the 1987 4% lift. The Union presents its proposal as a request that has a cost to the Employer of 3% each year, but the fact is that the 1988 cost of the Union's proposal is substantially more than a 3% increase over the 1987 cost. Split increases are ordinarily used to provide catch-up to employees who are lagging behind without increasing the Employer's costs. This can be achieved in a one year agreement but it results in an increase in cost in the second year over and above any increase granted for that second year. Thus the proposal of the Union has a 4% lift the first year but a cost of only 3%. The second year it has another lift of 4% and the increase in cost will be more than 4%. A further increase in cost will be carried over into 1989 because of the split increase given in 1988.

The employees of the Employer have lagged behind other Employers in Comparable Group A. If that was the only factor to be considered, a split increase to provide some catch-up pay might very well be justified. However there are other things to consider. The Employer is economically depressed. By at least one method of measurement it is the most distressed community in Wisconsin. The entire region in which the Employer is located is a depressed area but all of the municipal employers in Comparable Group A are significantly less depressed than the Employer. While the Employer has not established to the arbitrator's satisfaction that it does not have the ability to meet the economic demands of the Union's proposal, he is satisfied that it will have some difficulty in doing so. That factor alone does not mean that employees should make sacrifices by accepting substandard wages in order to support the community services of the Employer. Some of the employees in this bargaining unit are paid at a rather marginal level and they cannot be expected to make sacrifices in order to maintain the level of municipal services. It would be more appropriate for the Employer to provide its employees with a reasonable level of wages and other fringe benefits and reduce the level and amount of municipal services. The Employer has reached agreement with its firefighters bargaining unit that provides the equivalent of a 2.8% salary increase. Its police department reached agreement for 1987 that provides for a wage freeze and a retirement health insurance benefit that has a cost equivalent to a 2.8% salary increase. The Employer has offered its public works employees a 2.8% increase in 1987 and a 2.8% increase in 1988. While only two of the Employer's bargaining units have reached agreement for 1987 on a new agreement with a cost equivalent of a 2.8% wage increase, those agreements indicate that the Employer's proposal to the Union falls within the scope of reality. The settlements between the Employer and the police and fire bargaining units is close enough to the 3% pattern in Comparable Group A to satisfy those employees. Those agreements establish an internal pattern that the arbitrator considers sufficient justification to extend the pattern to the city hall employees. It will provide equitable treat-

ment to all employees and avoid the negative effect on morale that results when an arbitrator awards a wage benefit to one unit that the others were unable to secure voluntarily.

There is at least one other factor that supports the Employer's position. Its health insurance premium increased by 5% in 1987 and will increase by another 18% in 1988. The 1988 increase had an impact that increases the Employer's overall cost by 1.96%. In its brief the Union indicated that it did not consider an 18% increase in premiums as excessive. Certainly health insurance premiums have increased substantially but an 18% increase in the family premium is not something that should be discounted, particularly when it increases the Employer's overall cost by 1.96%. Were it not for that substantial increase in the cost of insurance, the Employer might very well be in a position to provide a 3% increase in wages with a lift provision that provided a little catch-up. The arbitrator is satisfied that the employees would rather have the Employer pay the increase in the health insurance premium and accept a somewhat lower wage than to receive the wage increase proposed by the Union and pay the increased cost of the health insurance premiums.

The arbitrator is reluctant to make an award that provides an increase even slightly below the pattern in the area to employees who are receiving marginal wages compared to other municipal employees in the area who are performing similar services. He is equally reluctant to make an award that stretches an Employer's ability to pay and breaks an internal pattern that has been accepted by other bargaining units. The Employer tries to justify its proposal by pointing to a class and compensation plan that it contends supports its proposal. The arbitrator does not consider class and compensation plans that are unilaterally developed by the Employer to be of much significance. The particular plan that the Employer has developed is slightly below the pattern of the area but close enough to be acceptable to the arbitrator. However it is evidence of a disposition on the part of the Employer to unilaterally make a decision on the type of increase it will give to employees and avoid the give and take at the bargaining table. Were it not for the fact that the Employer will incur an 18% increase in its health insurance premium in 1988, the arbitrator might have been less likely to consider the Employer's proposal realistic.

The Union's proposal on its face appears to be in line with the pattern of increases in Comparable Group A. A 2% increase on January 1st and another 2% increase on July 1st has a 3% cost to the Employer the first year. However the roll-up in the second year resulting from the 4% lift in the first year makes the Union's proposal somewhat less than realistic. Adding another split increase the second year of the agreement provides another roll-up for 1989 that the Employer cannot accept.

The arbitrator recognizes that there is a need for catch-up for at least some of the employees in this bargaining unit. Recognition should also be given to the fact that the Employer is the most distressed community in the State of Wisconsin. Under the circumstances the most that could be expected of the



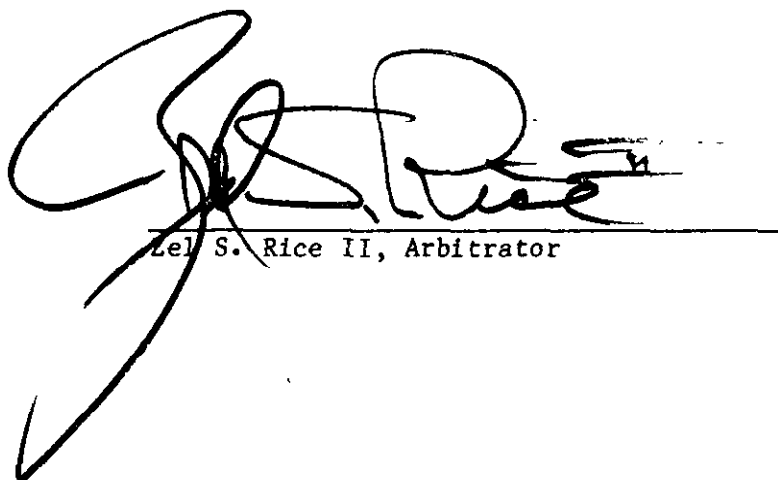
Employer would be to meet the pattern of increases in Comparable Group A. That would maintain the existing relationships between the members of this bargaining unit and the employees performing similar work in Comparable Group A. The Employer's proposal of a 2.8% increase each year was slightly lower than the pattern of increase in Comparable Group A but close enough to be considered realistic. In view of the fact that it fits the internal pattern that has been established by the settlements between the Employer and its police and fire bargaining units, the arbitrator finds it to be a more reasonable proposal than that of the Union.

It therefore follows from the above facts and discussion thereon that the undersigned renders the following

AWARD

After full consideration of the criteria set forth in the statutes and after careful and extensive examination of the exhibits and briefs of the parties, the arbitrator finds that the Employer's final offer more closely adheres to the statutory criteria than that of the Union and directs that the Employer's proposal contained in Exhibit B be incorporated into an agreement containing the other items to which the parties have agreed.

Dated at Sparta, Wisconsin this 21st day of December, 1987.



Lel S. Rice II, Arbitrator

May 28, 1987

FINAL OFFER LOCAL  
# 216-K AFSCME, ASHLAND  
CITY HALL EMPLOYEES

- 1.) A two year contract covering 1987 and 1988.
- 2.) A 2% increase on all wage rates 1/1/87, 2% on 7/1/87, 2% on 1/1/88 and 2% on 7/1/88.
- 3.) Add a 12th paid holiday (Presidents Day).
- 4.) Add a 5% longevity step after 25 years.
- 5.) Amend current Workmen's Compensation Disability Pay to provide for pay for the employee's normal base pay salary for a period of time not to exceed twenty-four (24)

~~James A. Ellingson~~  
James A. Ellingson  
District Representative

~~Art Tobin~~  
Art Tobin  
President # 216-K

# CITY OF ASHLAND

EXHIBIT B

CITY HALL  
ASHLAND, WISCONSIN 54806

OFFICE OF  
THE MAYOR  
Phone: (715) 682-3433


FINAL OFFER BY THE CITY OF ASHLAND IN THE MATTER OF ASHLAND CITY HALL  
AFSCME #216K CONTRACT FROM JANUARY 1, 1987 - DECEMBER 31, 1988

### Salary Increase

January 1, 1987	2.8%
January 1, 1988	2.8%

Date:

5/28/87

  
Daniel O. Theno, Mayor

  
Jane S. Smith, City Clerk



... An Historic Progressive City on the Shores of Lake Superior