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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

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In the Matter of the Petition of

MARSHFIELD CITY EMPLOYEES UNION,LOCAL 929, WCCME, AFSCME, AFL-CIO

To Initiate Arbitration Between
Said Petitioner And

THE CITY OF MARSHFIELD

****

Daniel Nielsen, Arbitrator
Case 76, No. 39872, INT/ARB-4701
Decision No. 25298-A
Award, 12/31/88

Appearances:

Wisconsin Council 40, WCCME, AFSCME, AFL-CIO, by **Mr. David White,** Staff Representative, appearing on behalf of Local 929.

Mulcahy & Wherry, S.C., Attorneys at Law, by **Mr. Dean Dietrich**, appearing on behalf of the City of Marshfield.

ARBITRATION AWARD

The undersigned was selected from a panel provided by the Wisconsin Employment Relations Commission to hear and decide a dispute involving the the 1988 wages to be paid employees of the City of Marshfield in a collective bargaining unit consisting of all hourly paid employees of the Board of Public Works, custodians and housekeeping personnel in the City Hall, armory and city garage, excluding the street superintendent, street foremen, office-clerical employes, head custodian, temporary, part-time and student employees.

A hearing was held in Marshfield, Wisconsin, on August 17, 1988, at which time the parties were afforded full opportunity to present such evidence, arguments and other information as might be relevant to the dispute. No transcript was made of the hearing. The parties submitted post-hearing briefs and reply briefs. Additionally, the Union submitted an objection to

the contents of the Employer's reply brief, which was received by the undersigned on October 30th, whereupon the record was closed.[1]

Now, having considered the evidence, the arguments of the parties, and the record as a whole, the undersigned makes the following Award.

I. Statutory Criteria:

This dispute is governed by the provisions of Section 111.70, Wis. Stats. Although each of the following statutory criteria is not discussed to the same extent, each has been considered in arriving at this Award. The statutory criteria for fashioning an arbitration award are set forth in Section 111.70(4)(cm)7:

"7. Factors considered. In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator shall give weight to the following factors:

a. The lawful authority of the municipal employer.

b. The stipulations of the parties.

c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.

e. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in public employment in the same community and in comparable communities.

f. Comparison of wages, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and in comparable communities.

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

h. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

i. Changes in the foregoing circumstances during the pendency of the arbitration proceedings.

j. 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, factfinding, arbitration or otherwise between the parties, in the public service or in private employment."

II. The Final Offers Of The Parties

This dispute is strictly a wage reopener for the calendar year 1988. The City's offer is a 3% across-the-board increase, effective on January 1, 1988. The Union's final offer is for a 2% across-the-board increase on January 1, 1988 and a 1.5% increase across-the-board increase effective July 1, 1988.

III. The Positions of the Parties

A. The Brief of the Union

The Union asserts that its offer is supported by the settlements reached by other City employees for the 1988 contract year. The City has five bargaining units, with the Public Works, at 45 full-time employees, being easily the largest. The firefighters unit is the next largest, with 27 full-time equivalents, while the Police unit consists of 23 full-time employees. The Wastewater employees' unit has 11 employees and, finally, the Dispatchers/Ordinance Officer bargaining unit has 5.75 full-time equivalents. 1988 settlements are available for all but the Police. In the Wastewater and Dispatchers units, employees received a 3% wage increase. Both of these units, however, are in the final year of three year contracts, and these settlements lack persuasive force as a result. Further, these two units combined are only one third the size of the DPW unit, and the settlements there cannot dictate the settlement in the much larger unit. Thus the Union urges that the Firefighters' settlement is the only persuasive evidence of what a reasonable wage increase would be in 1988. It is reasonably similar in size, and its settlement was reached far more recently.

The firefighters unit reached a contract settlement with the City at a 3% across-the-board wage increase. The settlement also featured, however, an increase in clothing allowance and educational benefits which increased the monetary benefit to the employees by 0.29%. Thus the value of the settlement to individual firefighters was 3.29%, over a half percent greater than the cost of the Union's final offer, and three-tenths of a percent higher than the City's offer. The most comparable internal settlement therefore supports the Union's offer.

The Union also argues that the employees of the Marshfield DPW merit a catch-up increase in pay, to bring their compensation in line with that received by other, similar employees in comparable communities. The external comparables, as determined in a prior award by Arbitrator Imes[2], are the cities of Wausau, Stevens Point and Wisconsin Rapids. Secondary external comparables are Wood, Portage and Marathon counties. In her decision, Arbitrator Imes described the conditions precedent to a successful claim of "catch-up" as being (1) a showing that all positions lag substantially behind other employees in comparable communities; or (2) a showing that there has been significant deterioration in wage rates relative to comparable communities. Both of these conditions, the Union asserts, are present here

The Union's exhibits show that Marshfield employees are substantially below the average in every benchmark position, and rank dead last in all but two when compared to employees in comparable communities for 1987. The City's offer would lead to further erosion of position for employees in every classification. In contrast, the Union's offer maintains, within a range of two cents for all but the common laborer classification, the relative position of Marshfield employees, after the second phase of the wage increase is implemented in July.[3] Since the Union offer more faithfully maintains the relative position of the employees, it should be preferred.

The current placement of the Marshfield employees, well below the average for area workers, is the result of a steady erosion. The Union compares the differentials created by the final offers with the differentials between the average and City employees that existed in 1984:

Classification	1984 +/-	1988+/- City Offer	1988+/- Union Offer
Common Laborer	- $05	- .07	- .02
Equipment Operator I	- $.19	- .45	- .40
Equipment Operator II	- $.19	- .39	- .35
Equipment Operator III	- $.26	- .50	- .45
Equipment Operator IV	- $.15	- .38	- .33

Janitor	+ $.11	- .17	- .12
Mechanic Helper	- $.54	- .77	- .72
Mechanic	- $.30	- .60	- .55

In four years, the differentials have grown dramatically for most classifications. The fact of this erosion, together with the already very low rank for City employees, merits the catch-up pay increase proposed by the Union. The Union notes that it has structured its wage offer in such a fashion as to protect the City from the full cost of catch-up in this contract year, by splitting the increase at mid-year. In fact, notes the Union, its offer will cost the City approximately .25% less than the City's final offer.

Aside from the need for catch-up, the Union maintains that its offer is justified simply by the external pattern of settlements. The 1987 and 1988 wage lifts for Marshfield and its comparables are:

Municipality	1987 Wage Lift	1988 Wage Lift
Wood County	4.0%	4.0%
Portage County	4.0%	3.5%
Marathon County	3.0%	3.0%
Stevens Point	3.3%	3.23%
Wisconsin Rapids	4.5%	2.5%
Wausau	3.0%	3.0%
Marshfield	3.0%	3.0% (City Offer) 3.5% (Union Offer)
Average excluding Marshfield	3.63%	3.2%

The Union notes that the 1988 settlement in Wisconsin Rapids understates the actual monies received by that city's employees, because of the peculiar way in which the contract was structured. The 2.5% rate increase as of April 18, 1988 represented a buyout by the City of a break period. In addition to this, all employees received a $500 lump sum payment as part of the settlement, which was not reflected in the wage rates. This has a value of approximately 2.4%, for an overall increase of 4.4% in compensation (discounting the 2.5% increase to account for the delay in implementation).

Both the City's and the Union's offer would be within the range of 1988 settlements among external comparables, with the City's being on the low end and the Union's being on the high end. However, the 1987 settlement for City employees was the lowest among the comparable group. This, in combination with the below average wages paid these employees, justifies an offer which slightly exceeds the settlement pattern for 1988.

The Union points to the increase of 4.5% in the Consumer Price Index for 1987 as further supporting its final offer. This represents an erosion spending power by 1% over the rate proposed by the Union and 1.5% over the City's offer. As the Union offer better protects the real income of these workers, it should be preferred.[4]

B. The Brief of the City

The City asserts that its offer more closely adheres to the statutory criteria than does that of the Union. It provides a competitive wage increase, and avoids any disparity between these employees and other groups of employees, internally or externally. The offer is generous in comparison with developments in the private sector.

The City first notes that its offer maintains an equitable relationship between this unit and other groups of City employees. With the exception of the Police, all other City workers, union and non-union, have received a 3% increase in wages for 1988. This represents over twice the number of employees as are included in this bargaining unit. The concept of internal equity is one which has historically guided the City in its negotiations, and has been almost universally accepted by arbitrators as a primary consideration in wage disputes. The City cites numerous awards in support of this proposition. The following table illustrates the primacy of this principle in past years:

Unit	1982	1983	1984	1985	1986
Administrative Staff	9.5%	5.0%	0/6 split	4.0%	3.5%
Police	9.5%	5.0%	5.0%	4.0%	3.5%
Wastewater Utility	9.5%	5.0%	0/6 split	4.0%	3.5%
Firefighters	9.5%	5.0%	0/6 split	4.0%	3/1 split
Street Department	9.5%	5.0%	5.0%	4.0%	3.5%
Police Support Staff (Initial contract in 1986)					3.5%

With the exception of one year, the City has maintained a nearly uniform pattern among its employee groups. The arbitrator should not disrupt the relationship between these groups. The City points out that this group has enjoyed all of the same fringe benefits as have been enjoyed by other City groups, and additionally receives a payout for unused sick leave over the maximum that is unavailable to other employees. Thus the City has treated these employees fairly, and no disruption of the pattern is warranted.

The City points to external comparables as being supportive of its offer. The City's offer maintains the benchmark ranking of each position relative to similar employees in other communities, as does the Union offer. Thus there is no compelling reason to favor the Union offer, as both maintain the status quo. Moreover, the City offer is favored by an examination of percentage settlements among comparable employees groups for 1988. The 3% offer of the City matches the settlements in the City of Wausau and Portage and Marathon Counties, and is greater than the voluntary settlement in the City of Wisconsin Rapids. While the City of Stevens Point, at 3.23%, is slightly higher than the City's offer, this excess is due to the cost of grandfathering increases for incumbents in the positions of custodian and laborer, while freezing the rate for new employees in those classifications. The Wood County settlement includes a wage lift of 4%, but 2% of this lift is deferred until October 1, 1988, yielding an actual cost of 2.5% over the year.

The City urges the arbitrator to consider the fact that employees in this unit enjoy a fringe benefit package superior to any in comparable communities. The City pays a health insurance premium which is the second highest among the comparables, while offering the lowest cost deductible. Similarly, the life insurance benefits available to City employees rank second among the comparables. City employees enjoy identical pension benefits as other employees. Finally, the generous longevity plan provides increases in compensation per month for employees starting with their fifth year, and increases to a maximum of $55 per month for employees with twenty or more years of service. Only Stevens Point offers a longevity plan in excess of this, and the difference there is only $1 per month at certain intervals. When fringe benefits are considered, the City's offer is clearly preferable.

The City draws the arbitrator's attention to the amendment of Section 111.70 in which the comparability criteria were separated into three distinct sub-sections. This amendment, the City argues, was intended to give greater, independent weight to comparison with public employees generally and with private employees generally in the same area than had been the case in the past. Reviewing public sector settlements in the Marshfield area, the City notes that seventeen bargaining units received a 3% general pay increase in 1987 and 1988, including the Marshfield Electric and Water Utility. Only Wood County was the rate of increase substantially above that proposed by the City here, and as already noted, those increases were structured through a delayed split to cost less than 3%. City of Wisconsin Rapids employees received no general pay increase. Consideration of other public sector settlements clearly militates against acceptance of the Union's offer and in favor of accepting the City's offer.

Increases in the private sector have ranged from 3% at the Marshfield Clinic and St. Joseph's Hospital, to 2% and Weyerhauser, and a wage freeze at Felker Brothers. The people employed by these firms are the taxpayers who must fund any pay increases to City employees. Neither the statute nor simple common sense should allow selection of a Union offer in excess of the rate of increase in private employment.

The comparison criteria all support the City's offer, and the Union has failed to show any reason for breaking the uniform pattern of settlements within the City. The City dismisses the Union's attempt to equate increases in the Fire Departments educational and clothing allowances, noting that these payments are unrelated to base wages. The educational allowance is a reward for a firefighter who has completed training which allows him to work at a higher level of skill and responsibility. The clothing allowance increase in an offset for increases in the cost of required uniforms. The DPW employees, by contrast, have no available training to improve their efficiency, and are not required to wear any particular uniform. As the Union has utterly failed to distinguish itself from other employee groups, the City asserts that the Union effort to break the pattern should be rejected, and the City final offer accepted.

Finally, the City argues that the interests and welfare of the public are best served by selection of its final offer. The citizens of Marshfield rank third out the four primary comparable in per capita income, based upon data from 1980-85. This is consistent with the City's tradition of paying a fair wage, but not asserting wage leadership in the area. The City's offer most realistically reflects the economic circumstances of the area's citizens, and is thus preferable to the offer of the Union.

C. The Union's Reply Brief

The Union takes issue with several arguments made by the City, beginning with the City's assertion that its offer is part of, and supported by, a consistent internal pattern of settlements. At the outset, the Union notes that unrepresented employees, who make up the largest group receiving a 3% increase, do not bargain their wages, and cannot be said to have agreed to a particular wage increase. Rather, it is imposed upon them. Thus the fact that the City chose to impose 3% on these employees cannot offer guidance when seeking to determine what a reasonable negotiated settlement might have been.

The Union concedes that the Wastewater and Police Support employees negotiated a 3 % increase for 1988, but reiterates its position that "the tail

cannot wag the dog". These two units make up only 15% of the City's workforce. Their settlement should not dictate the settlement for the largest City unit, comprising nearly 40% of the City's full complement of employees. Beyond mere questions of size, the Union points out that these two units negotiated wages for 1988 as part of agreements covering wages for previous years as well. The parties have tacitly agreed to break any connection between wage increases in those units and increases in this unit, by leaving DPW wages open for 1988. Each has taken a calculated risk that economic conditions would be more favorable to its position than they were when the other units settled Differing economic conditions greatly reduce the relevance of the Wastewater and Police Support Unit settlements.

Even if the Wastewater unit, with 11 employees, was considered relevant to the dispute, the Union avers that it represents a wage increase greater than 3%. In addition to the across-the-board increase the City granted a 3¢ per hour increase in certification pay for Grades II & III. The impact of this additional increase cannot be accurately calculated from the record, but it unquestionably raises the overall package above the 3% level claimed by the City.

In attempting to distinguish the firefighters settlement, with its educational and clothing allowance increases, the City ignores economic reality. These are actual increases in compensation, negotiated with the union. The Imes arbitration award clearly specified that such items as clothing allowances, and pay for increased training were economic add-ons to the compensation package which increased those packages in comparison to offers having only an across-the-board wage increase, notwithstanding the fact that the across-the-board increase was same for all units. Thus the additional 0.29% received by the firefighters must be figured into the internal comparisons.

The Union disputes the City's claim that a long-established pattern of uniform wage increases exists. In both 1984 and 1986, the uniformity claimed by the City was absent. In 1984, all City units except Police and DPW received a 6% lift. DPW employees received a 5% lift. In 1986, the Firefighters received 4% lift, as compared to 3.5% for for DPW employees. While the 1986 Firefighters contract was the result of an arbitration award, the award was in the City's favor. Thus the argument of uniformity is untrue. Further, even if uniformity in wage increases does exist as a general principle, it says nothing about the true economic value of the settlements. As noted before, some of the other settlements included monetary items beyond wages, providing a more generous compensation package in those years than was received by the DPW employees.

The City's claim that its offer preserves benchmark rankings ignores the long term erosion of position suffered by unit classifications. Only the janitor and laborer classifications have maintained their rankings among the comparables since 1984. All other positions have dropped in comparison to other municipalities. While the City asserts that the Union offer does not change rankings, and thus benchmark rankings are irrelevant, the fact is that the rank of the Mechanic Helper is improved, moving from 4th out of 4 among primary comparables to its former 3rd out of 4 rank. Further, the gap between the Equipment Operator I, III and IV classifications is substantially reduced under the Union offer.

The City argues that 17 bargaining units in the area have settled for 3%, and that is therefore the prevailing pattern in public employment. This data is flawed, since it includes three unrepresented employee groups, and eight units from one county -- Marathon. Portage County non-professional units received a general wage increase of 3%, but also received a 5¢ per hour increase at mid-year. Thus the 3% "pattern" is far more isolated than claimed by the City.

Turning to the City's private sector comparisons, the Union discounts this data as unsubstantiated. Only four private sector employers are cited by the City, and the information provided does not indicate current levels of compensation. The information is far too limited to be a reliable indicator of private sector wage settlements.

Finally, the Union disagrees with the City's assertion that the interests and welfare of the public will be served by selection of the City offer. Marshfield taxpayers enjoy roughly the same standard of living as residents of the surrounding communities, and the City's tax levy is below that of Wausau and Wisconsin Rapids, and only slightly above that of Stevens Point. There is no evidence of any economic distress that should overcome consideration of other statutory criteria. The Union argues that the public interest is served by retaining qualified employees by paying competitive wages, and by reducing the dissension and morale problems created by the growing disparities in pay between City employees and those in comparable communities.

For all of the foregoing reasons, the Union urges rejection of the City's arguments and selection of the Union's final offer.

D. The City's Reply Brief

The City argues that the Union ignores the totality of the workforce in attempting to dispute the internal settlement pattern for 1988. The Union fails to account for the Administrative Staff of the City, some 73.09 FTE's. Of 184.84 FTE employees, 116.84, or 58%, have voluntarily agreed to a 3% base wage increase. Contrary to the Union's arguments, the increase in clothing allowance and educational incentive in the Firefighters' unit does not distinguish that settlement from others in the City. As stated in the City's initial brief, the DPW employees are neither required to wear a particular uniform nor receive specialized training. Thus these two items cannot be relevant to their compensation package. They simply cannot be equated with a base wage increase.

The Union's claims of a need for "catch-up" increases are misplaced. Only one position, that of Mechanic Helper, would advance in rank under the Union offer. This is but one employee out of a unit of 45. More importantly, the ranking of unit employees is the result of collective bargaining and an arbitration award in which the arbitrator rejected any notion of a catch-up increase being due. The well-established arbitral principle is that a "catch-up" increase can only be justified by extraordinary circumstances. Such an increase is plainly not justified in this case.

The City notes that the evidence concerning external settlements in DPW and highway units in comparable municipalities is unequivocal in supporting the 3% City offer. The City offer matches the increases in Marathon County, Portage County and the City of Wausau. It exceeds the wage freeze in the City of Wisconsin Rapids. The Union claim that the external pattern favors its offer is simply not true.

Finally, the City urges that the Arbitrator reject the Union's effort to distort and confuse the record by submitting data concerning alleged "errors and discrepancies" in the City's exhibits. The "errors" cited are largely disputes of 1¢ in hourly wage rates which do not bear on the outcome of this case. The Union is simply attempting to mislead the Arbitrator by creating the appearance of unreliability in the City's data.

For all of the foregoing reasons, the City urges that its final offer be deemed more reasonable and be accepted by the Arbitrator.

IV. Discussion

A. The Lawful Authority Of The Municipal Employer

No issue has been raised as to the lawful authority of the City to implement either final offer.

B. The Stipulations Of The Parties

Neither party has identified any stipulation which bears on the outcome of this dispute.

C. The Interests And Welfare Of The Public

No issue of financial ability to pay has been raised. The City asserts that the per capita income of its residents mandates special consideration in arriving at the most reasonable result, while the Union suggests that the interests of the public are best served by eliminating the disparity in pay between the City's employees and their counterparts in surrounding municipalities.

The per capita income of City residents stood at $9500 in 1985, or 109.8% of the state average. The other primary comparables, Wisconsin Rapids, Wausau, and Stevens Point, stood at $10,184 (116.9%), $9,982 (114.6%) and $7,704 (87.0%), respectively. Granting that the City ranks 3rd among the comparables, the evidence does not suggest the type of economic distress typically used to justify giving pre-eminent weight to this criterion. The tax levy is the lowest among the primary comparables, and there is no evidence of the economic dislocations that have plagued other communities in recent years.

The public will always have a generalized interest in moderating increases in the costs of government, just as it will broadly desire to retain qualified employees Certainly both interests are present in this case, but the facts do not suggest that either has achieved some unique prominence in Marshfield, so as to make this criterion a sound basis for an Award. Consideration of criterion "c" does not provide a basis for favoring either offer.

D. Comparison With Similar Public Employees

The parties are agreed on the primary and secondary comparables. Each claims that the external comparables for highway and DPW units support its position. The settlements for 1988 are:

Stevens Point	3.23%
Wausau	3.00%
Wisconsin Rapids	0.00% with $500 bonus and break-time buyout at 25¢ per hour on the wage rates effective 4/18/88
Marathon County	3.0%
Portage County	3.0% 3/7/88 plus 5¢ atb effective 3/7/88
Wood County	2.0% 1/1/88
	2.0% 10/1/88

Two disputes exist over the significance of these settlements. The City contends that the cost of the Stevens Point settlement is overstated because the laborer and custodian rates were subject to a two-tier agreement, with the incumbents being grandfathered at the older, higher rate. Thus the increase on the contract rates, in the City's view, was somewhat less than the 3.23% shown. The logic of this position is not compelling, absent evidence that there are a substantial number of new hires working at the new, lower rate. The record suggests that the employees actually working these positions received the same 3.23% received by other workers, and the undersigned finds no reason to discount the 1988 settlement simply because a new rate was established for future employees.

For its part, the Union insists that the 25¢ added to the wage rates in Wisconsin Rapids must be counted as a general wage increase, despite the characterization of the 1988 settlement by the parties to that contract as a wage freeze, with a buyout of break time. The undersigned cannot agree. For the purpose of comparing percentage increases in wages, a general wage increase which is expressly tied to a productivity concession of apparently equal value, and which the parties disclaim as a wage increase, should not be considered an increase in pay for hours worked. Wisconsin Rapids employees will, it is true, earn $10 per week more in base pay than they did in 1987. In return for that increase, they will work at their normal duties for an additional twenty five minutes per day -- time previously occupied by a twenty minute paid break and a five minute "clean-up time". This distinguishes the settlement in Wisconsin Rapids from the final offers in Marshfield, since there is no such direct quid pro quo evident in this case.

The $500 bonus paid to those employees is another matter. Over a standard work year, this is equal to a 24¢ per hour increase in compensation. The payment of this amount as a bonus prevents its carryover into future years, unless the Union negotiates a repetition of the payment. That is certainly a benefit to the employer, but does not remove the bonus from the category of a pay increase, apparently on the lines of 2.5%.

Sole consideration of percentage wage increases among comparable employe groups is not conclusive. One comparable received an increase in wage rate over the year above that sought by the Union, one received an increase roughly halfway between the two offers, and a third was slightly below the Union's offer, although the amount of underage is not readily ascertainable in percentage terms. Of the remaining three, two set increases at the same level as the City offer, and one below the City offer. Neither offer is unreasonable when viewed in light of these settlements, but neither gains a decisive advantage.

The primary argument of the Union is that a comparison of benchmark wages across comparables shows a definite need for a catch-up wage increase in this unit. Catch-up is an equitable argument, essentially stating that wage levels in a unit are at such a low level in comparison to other similar employees that a higher than normal wage adjustment is merited. Generally, arbitrators are reluctant to allow the parties to relitigate prior bargains under the guise of catch-up arguments. The best evidence of a fair wage level is usually thought to be that which the parties have determined through the collective bargaining process. [5]

The Union's data shows an average disparity at the benchmark position of -47.1¢ per hour for employees in 1987, compared with the average for the comparables.The final offer of the Union would shave this disparity to -43.4¢, while the City's increases it to -49.5¢. While the parties dispute some points of data, the undersigned is satisfied that the record shows a wage in this unit that lags behind that paid to similar employees, and that has suffered deterioration in recent years. Even if a catch-up argument could not be made on this record, consideration of wage rates alone would argue in favor of the Union's offer. Where a substantial disparity exists between wages paid in one unit as compared to those paid similar workers, an offer which slightly reduces or maintains the differential should be favored over one which increases the disparity. [6] The determination of whether a higher than normal wage increase is merited, however, must turn on a consideration of the total compensation package. Bargaining is generally characterized by tradeoffs between components in the overall compensation scheme, and an apparent disparity in wage rates may be accounted for in

other areas. In this case, the disparity cited by the Union is greatly diminished by a review of employer health insurance contributions.

The average employer paid insurance contribution for comparable workers was $1.13 per hour in 1987, while Marshfield's exposure was $1.17 at the beginning of the year, increasing to $1.29 per hour on the anniversary date in October. The disparity in total compensation is thus reduced to 31.1¢ for 1987. In 1988, the average of all comparables is $1.21 per hour, while the year end rate for Marshfield is projected at $1.67 per hour. Granting that insurance projections are uncertain things, it still appears that the value of the employer's health insurance contribution will yield an hourly rate of compensation (wages and insurance) for unit employees at the end of 1988 that is roughly equivalent to that received by similar employees in comparable communities.

Consideration of criterion "d" does not favor either offer when percentage increases are considered. While a comparison of wage rates favors the Union's offer as slightly reducing the significant disparity between these employees and those in comparable communities, this advantage is very substantially reduced when total compensation is taken into consideration.

E. Comparison With Public Employees Generally

The most persuasive evidence under criterion "e" will be a strong and consistent internal pattern of settlements. An internal pattern satisfies the statutory aim of duplicating, as nearly as possible, what the results of a voluntary settlement would have been. Further, sound labor relations policy dictates adherence to internal patterns, since breaking a pattern through the arbitration process will tend to discourage voluntary settlements and lead to dissension within the workforce. In short, there is a very strong presumption in favor of an offer which is consistent with the settlements reached through bargaining with other City units.

The Union urges that the Wastewater and Police Support settlements be discounted, since these are the final years of multi-year agreements and thus represent judgements made about 1988's economic conditions by negotiators operating in a different economic environment.

Arbitrators will generally avoid relying on contract settlements reached in prior years to prove what the likely outcomes of wage bargaining would be in the current year. The logic underlying this principle is not nearly so compelling in today's relatively stable economic environment as it was in the more turbulents days of the late 1970's and early to mid-1980's. The less

radical the swings in economic conditions, the more reliable a multi-year agreement may be as a comparable. While the undersigned would not rely solely on the final year of multi-year agreements to establish a pattern of settlements, the persuasive force of such settlements may be greatly enhanced by a showing that they were negotiated under substantially similar economic conditions, and/or that they have subsequently been ratified by an agreement reached in bargaining during the current year.[7]

The Firefighters' unit is conceded by all parties to be roughly comparable in size to the DPW and bargaining power to the DPW, and reached a contract in bargaining for 1988. The settlement has three components of significance for the purposes of this Award -- a 3% across-the-board increase in pay, an increase in the clothing allowance from $170 per year for Lieutenants and $150 per year for firefighters to $190 per year for all employees, and a doubling of the educational incentive paid to associate degree holders from $10 per month to $20 per month. The Union claims that these last two items make this a 3.29% settlement for 1988, and thus provide support for the Union offer. The City claims that these two benefits are irrelevant to the DPW negotiations, because DPW employees are not required to wear uniforms or obtain additional education.

The undersigned agrees with the City that the increase in clothing allowance cannot be costed for comparison purposes here. Contrary to the City's argument, though, this is not because DPW employees are not required to wear a uniform. That is an issue relating to the initial establishment of the benefit. Once negotiated, increases in the amount paid to employees under this benefit may legitimately be considered a part of the compensation package unless they are justified by an increase in employee costs related to the uniform requirement. Here, the cost of uniform blouses required of all employees has increased from $9.95 per shirt to $24.50 for short sleeve shirts and $27.00 for long sleeve shirts. The amount of increase in uniform allowance is reasonably related to the increase in the employee's annual cost of purchasing uniforms. Thus this improvement is not a general increase in compensation, and cannot be costed as part of the pay increase.

The educational incentive is another matter. No evidence was introduced to show that this improvement was related to an increase in the employee's cost of obtaining an associate degree, or some change in the labor market for degreed personnel. It applies to persons already holding such degrees, without requiring anything additional of them. This improvement is nothing more than an additional pay increase for a particular class of firefighters. As such, it must be counted as part of the wage increase negotiated by the City

and the firefighters union. The settlement in the firefighters unit may therefore be characterized as a 3.15% wage increase.

The City's citation of the unrepresented employees' 3% across-the-board pay increase is not persuasive evidence of a settlement pattern, since by definition those employees do not bargain. The City unilaterally imposed the 3% increase on these employees. Having said that, the undersigned does not agree with the Union's claim that the wage increase for unrepresented workers is irrelevant to this proceeding. It is part of the overall environment which would have shaped a voluntary agreement had negotiations been successful. To the extent that it parallels settlements in City bargaining units, it reinforces the City's claim to have been committed to 3% as a bottom line for negotiations.

The slightly higher firefighters settlement and the fact that, in two out the past six years, the City has prevailed in arbitrations breaking its own pattern tend to rebut the City's claim that it has been firmly committed to maintaining a uniformity in settlements with City units. Nontheless, the settlements in other City units for 1988 quite clearly support the 3% offer of the City over the 3.5% sought by the Union.

Non-City public employee settlements generally track the settlements for similar public employees discussed in §"D", supra. While the majority of these settlements are nearer the City's final offer than the Union's, neither offer receives strong support from consideration of non-City settlements. Both are well within the range suggested by the pay increases granted to other area employees in the public service.

Consideration of increases received by other public employees generally provides strong support for the City's offer, since it far more closely reflects the settlements reached with other City bargaining units for 1988.

F. Comparison With Private Sector Employees

The City has provided information on wage increases received by employees of four large private employers in the Marshfield area. Workers at the Marshfield Clinic, St. Joseph's Hospital, Weyerhauser and Felker Brothers had their wages increase in 1988 at a rate of 3%, 3%, 2%, and 0%, respectively. This data provides some support for the City's offer, but its value is diminished since it is not clear what proportion of the Marshfield labor force is affected by these rates of increase, and whether these figures are representative of the entire private sector in the area. Given the reluctance of private sector employers to share wage information, evidence introduced

under criterion "f" tends to be anecdotal and the undersigned is reluctant to rely on such evidence to draw any broad conclusions regarding the private sector.

G. Cost Of Living

The Union asserts that its offer more accurately tracks the 1987 increase in the consumer price index of 4.5%. The increase in CPI does favor the 3.5% offer of the Union. The weight accorded CPI in the face of evidence showing lower settlements in other units is relatively slight. The cost of living is a uniform factor for all bargainers in an area, and the settlements reached by other unions presumably factored in the CPI increase. Arbitrators will generally defer to the judgement of those similarly situated negotiators when considering the impact that the cost of living should have in arriving at an Award.[8]

H. Overall Compensation Received By Employees

The overall compensation received by these employees has been addressed in §"D". Both offers provide competitive compensation to unit employees.

I. Changes During The Pendency of Proceedings

Neither party has raised any argument concerning changes of circumstance during the pendency of the arbitration proceeding.

J. Other Traditional Factors

Neither party has raised any issue concerning the application of other factors traditionally considered in setting wages, hours and working conditions.

V. Conclusions

This case turns on the City's claim of a need to maintain consistency in settlements within the City workforce balanced against the Union's claim that a catch-up wage increase is required. While not as uniform as the City has tried to portray them, settlements with other City units and the increases granted to unrepresented employees support the selection of the City offer. The Union has proven that wage rates for unit employees lag substantially behind those paid to similar employees, but overall compensation in this unit is competitive with the overall compensation paid by other area municipalities. The undersigned concludes that the offer of the

City is more consistent with the statutory criteria, and accordingly selects the City's final offer.

On the basis of the foregoing, and the record as a whole, the undersigned makes the following

AWARD

The wage rates contained in the collective bargaining agreement between the parties for the year 1988 shall reflect the 3% across-the-board increase proposed in the Final Offer of the City of Marshfield.

Signed and dated this 31st day of December, 1988 at Racine, Wisconsin:

Daniel Nielsen, Arbitrator

[1] Additional correspondence was received from the Union after the close of the record, reiterating objections to the Employer's arguments and offering to provide additional data. No response was made to this correspondence and it was not made a part of the record, as the dispute was apparent to all parties before the close of the record, all parties were invited to comment on the dispute in their briefs, and no provision was made for supplementing the record after its close

[2] City of Marshfield, Dec No 22722-A (Imes, 1986)

[3] The common laborer rate average of $9.12 in 1987 and $9.32 in 1988 are understated, because of the grandfathering of Stevens Point employees at a pre-existing higher wage rate. If the higher rate is used, the average is increased to $9.18 in 1987 and $9.47 in 1988 Using these figures, the Union offer maintains the differential within three cents

[4] The Union, by letter dated August 31, 1988 and September 9, 1988, raised issues as to the accuracy of certain data contained in City exhibits concerning external comparables, and submitted corrections The City acknowledged certain of the proposed corrections in its revised Exhibit 57, but did not respond to others in its initial brief. In the letter exchanging briefs, the undersigned requested that the City indicate whether it perceived a serious dispute to exist over the Union's proposed corrections. The City's Reply Brief [Sec III (D) of the Award] briefly defended the methodology used in its calculations and disputed the letters of the Union as an effort to supplement the record and confuse the Arbitrator (Reply Brief, 10/19/88, at page 5). The accuracy of the Union's figures was not directly disputed by the City -- rather the submission of the corrections after the hearing was placed in issue The nature of interest arbitration hearings is such that a detailed review of the other party's exhibits is generally not undertaken until after the hearing There is not usually an exchange of exhibits prior to the hearing, and the volume of data, and modes of presentation, often make an immediate review impracticable. The submission of these objections after the hearing but prior to the submission of briefs is not, in and of itself, prejudicial to the City or improper. This is particularly true where, as here, the record was expressly held open for corrections in data

The corrections proposed by the Union are in most instances a matter of a few cents. Where the difference is greater, the basis of the dispute is clear from the letter setting forth the proposed corrections and, if necessary for the formulation of an award, the dispute can be resolved with the information available in the record

[5] See, for example, Cudahy Schools, Dec No. 25125-B (6/21/88) at page 17.

[6] Cudahy, at pages 17-18, Adams County, Dec No 25126-B (7/29/88) at pages 13-14.

[7] The Union objects to the use of these units as proof of what the DPW unit might have been able to secure in bargaining, since the two together are only one-third the size of the DPW unit The Arbitrator agrees that the size of these units would suggest that they are not the pacesetters in City negotiations, although the general availability of interest arbitration does tend to reduce the bargaining advantage of large units in comparison to small units

[8] See Bonduel School District, Dec. No. 24341-A (8/12/87), at pages 11-12; Algoma School District, Dec. No. 24447-B (11/11/87) at page 20; Adams County, at page 17.