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RELATIONS COMMISSION

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In the Matter of an Arbitration
between
THE CITY OF MILWAUKEE
and
TECHNICIANS, ENGINEERS AND
ARCHITECTS OF MILWAUKEE
* * * * *

Case 307
No. 39793
INT/ARB-4671
Decision No. 25639-A

Appearances:

- Mr. Thomas Goeldner, Assistant City Attorney;
representing the City.
- Mr. E. Campion Kersten, Attorney, Kersten and McKinnon;
representing TEAM.

Before:

Mr. Neil M. Gundermann, Arbitrator.

ARBITRATION AWARD

The City of Milwaukee, hereinafter referred to as the City, and Technicians, Engineers and Architects of Milwaukee, hereinafter referred to as TEAM, were unable to agree on the terms of a collective bargaining agreement. The undersigned was selected to serve as the arbitrator and was appointed to so serve by order of the Wisconsin Employment Relations Commission. A pre-hearing conference was held on November 9, 1988, and an arbitration hearing was held on December 5, 6, 27 and 28, 1988, and February 9 and 10, 1989. A transcript of the proceedings was taken and the parties filed post-hearing briefs and reply briefs. The last brief was received by the arbitrator on June 2, 1989.

POSITIONS OF THE PARTIES:

Initially there were four issues in dispute. During the course of the hearing, on December 6, 1988, an issue involving payment of professional dues from tuition reimbursement was resolved, and an issue involving payment for time spent at WERC hearings was resolved on December 7, 1988.

TEAM's Final Offer:

1. Salary

Effective Pay Period 1, 1987 - 4% increase
Effective Pay Period 1, 1988 - 4% increase

2. Life Insurance

Increase maximum coverage to 1 1/2 times employe's annual base salary.

City's Final Offer:

1. Salary

Effective Pay Period 1, 1987 - 2 1/2% increase
Effective Pay Period 1, 1988 - 2 1/2% increase

2. Life Insurance

Increase the maximum coverage to \$24,000.

TEAM'S POSITION:

It is TEAM's position that the evidence introduced at the hearing strongly supports its position and weighs heavily against the position of the City. Although the City takes the position that a so-called "internal pattern" of contract settlements is entitled to controlling weight, it is argued by TEAM that such is not the case and should not be the case. Section 111.70(4)(c) lists at least 11 specific criteria. The weight to be given other City settlements is lumped in subsection 7(e), which references comparisons to public employes "in the same community and in comparable communities." The statute does not mandate that any one factor is entitled to greater weight than the other factors.

More significantly, there is no uniform pattern either historically or among current settlements by the City. The City concedes that it has voluntarily departed from any alleged pattern and its current settlements are not uniform. Moreover, there is no historical link between TEAM and other bargaining units. It is fundamentally unfair that TEAM should be stuck with the same settlements that other units have agreed to. TEAM is not required to bargain on behalf of all units, nor is TEAM subject to the bargaining of other units.

Quotations of other arbitration proceedings do not consistently support the City's position. Each arbitration must be judged on its own facts, and there may be cases where the "other factors" are so evenly weighted or relatively insignificant that, by comparison, the internal comparison factor loomed important.

The City's contention that "irreparable harm" and labor turmoil would result if TEAM prevails is simply not founded on fact. TEAM has pulled ahead of other units in several previous fact finding and arbitration proceedings with no noticeable impact on the collective bargaining process.

TEAM asserts its requests are warranted because they are less than the increase in the cost of living during the two years in question. TEAM has continuously stressed that a major justification for its wage request is that the percentage wage increases sought are less than the percentage increases in the cost of living over the years involved. It is undisputed that the CPI increases for 1987 and 1988, regardless of the CPI index used,

exceed the wage increases sought by TEAM as shown by the following table of CPI increases in 1987 and 1988 according to various indexes:

<u>Index</u>	<u>1987</u>	<u>1988</u>
CPI-U	4.4%	4.4%
CPI-W	4.5%	4.4%
CPI-U/W (North Central)		4.4%
CPI-U/W (For Size B -360,000 - 1,200,000 pop. - North Central Region Cities)		4.6%

The evidence establishes that the increase for 1987 was 4.58%, and for 1988 the increase was 3.7%. The increase for the two-year period commencing January 1, 1987 to January 1, 1989 was 8.48%. Thus, the average annual increase over the two-year period was 4.24%. The requested 4% annual wage increases are significantly less than the CPI increases. If the City's position were to be awarded, TEAM's wage levels compared to CPI would be further eroded.

In contrast to the period of time taken by TEAM, the 1987 and 1988 CPI increases, the City takes a three-year period. Obviously, the City's use of 1986 was to take advantage of the aberrations that occurred in that year. There is no validity in considering 1986 in determining the cost of living covering the term of this agreement. The cost of living for 1987 and 1988 is known; there is no need to speculate as to what the actual cost of living would be during that period.

TEAM further contends that the City's reliance on the inflation of 1986 is based on the assumption that TEAM wages were at an optimum level during and before that year and that TEAM became, in effect, overpaid in 1986 because inflation did not

match the raise given in that year. TEAM submits that it was not overpaid in 1986, and due to the unusual occurrence of a flat index in that year, TEAM managed to regain a small portion of the ground lost to inflation in prior years. TEAM asserts that when the relevant CPI years, 1987 and 1988, are used, all of the indexes support the reasonableness of TEAM's position.

An additional argument is advanced by TEAM that the wage requests are warranted because the value of the members' compensation has seriously eroded since its wage pattern was established in 1970. In that year there was a major fact finding which resulted in substantial readjustments and increases in TEAM wage levels and set the existing pattern of the TEAM wage structure. Since that time wage increases have been built upon the foundation laid in 1970.

An analysis of the data establishes that even under TEAM's wage position the value of compensation in 1987 and 1988 would be less than it was in 1970. The following table graphically demonstrates the loss of compensation as a result of the CPI.

Value of Compensation as Requested by TEAM
and as Offered by the City as Percent of the
Value of 1970 Compensation, in Constant Dollars

	<u>TEAM</u>	<u>City</u>
		<u>1987</u>
CE1	97.1%	95.7%
CE2	97.8%	96.4%
CE3	96.6%	95.2%
CE4	95.4%	94.0%
		<u>1988</u>
CE1	96.6%	93.8%
CE2	97.4%	94.6%
CE3	96.2%	93.4%
CE4	94.9%	92.2%

It is argued by TEAM that there is no evidence that the nature and extent of the duties of its members have lessened since 1970. Even to keep TEAM's real wage levels where they were in 1970 in terms of purchasing power would require an even greater increase than TEAM is demanding. Under the principle of equal pay for equal work, work done in 1987 and 1988 should not be worth less than it was in 1970.

TEAM also argues that comparisons of TEAM's proposals to contracts with other units in Milwaukee County and the State of Wisconsin favor TEAM's offer, not that of the City. The City's attempts to explain away the superior contracts given certain other City unions are unavailing. As to the firefighters, the City admits their hours were reduced but states they were traded for vacation and holidays. However, firefighters were given one holiday. The City concedes the percentage salary increases were 3%/2%/3%/2%, but alleges this was in consideration for the conversion of duty disability pension, which is indexed, to normal retirement, which is not indexed. Such conversion affected only those employes between the ages of 54 and 57, and the City was unable to state how many employes were affected by the change. The City also points out its subrogation interest was raised from 67% to 80% in third-party claims. Again, no value was proved. The City stressed that two new pay steps were added at the bottom of the firefighters' salary schedule, but this is of questionable value and did not affect any existing members of the department.

The City concedes the firefighters received a 10% "lift," but argues this is "paid for" by reduced benefits. TEAM submits this

is not an even trade, as few members are affected by any of the "reductions" unless they are disabled or in a subrogation situation. The 10% lift is extremely valuable since it creates a substantial improvement for all firefighters going into 1989-90 bargaining. It becomes built into the salary structure and lasts indefinitely.

The City makes similar arguments with respect to MPSO. The police supervisors also received a 3%/2%/3%/2% wage increase with negligible take backs. The duty disability conversion age was reduced from age 57 to 54, a negligible change. The 100% cap in maximum retirement service allowance affects very few and is of uncertain value. The firefighters had been so capped in the previous contract. The deletion of the gun and automobile allowance is also of uncertain value because the City failed to prove how many persons were affected, and, in any event, it does not involve a reduction in wages. The City estimated that the total "package cost" of this proposal was 5.5%, and this is a distortion to the extent it ignores the "lift" impact.

It is also conceded by the City that increases of 5.06% in pay period 12 of 1987 and again in pay period 12 of 1988 were granted to the MPA. Even though the raises are delayed until half-way into each year, the result is a lift of 10.38%. The alleged "take-backs" and tradeoffs are strictly de minimis. The City seeks to escape the obvious impact of these figures by arguing the protective services are not comparable because, historically, their contracts differ from those with other City unions. So much for "uniformity."

The City emphasizes its 2.5%/2.5% contact with District Council 48. However, it fails to give proper weight to the \$250 signing bonus received by all 2,600 DC 48 members. Characterizing the bonus as a trade-off for seasonal layoff benefits is mostly cosmetic. There were only 211 layoffs in 1987-88, and 263 in 1988-89. City witness Ellis testified he estimated the City would have saved about \$200,000 in 1987-88, except the City did not save this because it did not reach agreement with DC 48 until July, 1988. City witness Ellis was vague about the 1988-89 savings, but, with 25% more layoffs, the savings may have been about \$250,000. The signing bonus cost the City \$650,000.

The parties in the instant dispute are 1.5% per year apart on wages. The cost of this difference in 1987, with roll-ups, is \$107,500, and in 1988, \$111,800. These costs are small compared to the \$650,000 the City paid DC 48 to sign its contract, even allowing for the \$250,000 saving in seasonal layoff payments.

Those members of DC 48 whose jobs come closest to the type of work performed by certain TEAM technicians are drafting technicians. In 1987, all DT IV's but those in the two lowest steps received more than 3%, and the two highest steps received 4.73% and 5.46%. Those DT V's in the lowest steps received 3.53% and 3.86%, and most of the rest received more than 5%. Cumulative raises through 1988 for the DT IV's exceeded 6% in the upper four steps, and reached 7.35% and 8.09% in the top two steps. For DT V's the cumulative increases ranged from 7.35% to 8.89% in the top five steps. Additionally, they received a \$250 signing bonus and a \$100 per year increase in tuition reimbursement.

The "historical tie" that the City perceives between ET's and DT's is nothing more than the equality created by its own "me too" contracts. TEAM has never tied its ET's to the DT's, and has perceived the relationship not as one of equality but as having the ET's ahead of the DT's. This has been the historical fact whenever an arbitrator or fact-finder has been involved.

TEAM asserts that on balance the City has not proved that there is any weight to its "uniformity" argument. It has made a number of major contracts which involve raises much greater than 2.5%/2.5%, and substantially greater than TEAM seeks here.

According to TEAM, the NSPE data, correctly interpreted, supports TEAM's position. The City's analysis of the NSPE survey data is based upon the correlation it assumes between TEAM positions and the NSPE categories, based entirely upon the opinion of its own employe that TEAM I's, II's, III's and IV's correspond to NSPE I/II's, III's, IV's and V's. The testimony of TEAM witness Meyer establishes that most of the engineers reporting to NSPE who had experience levels comparable to those in TEAM reported themselves at higher levels than the City assumes. Thus, engineers with five through nine years of experience reported themselves as IV's and V's. Those with 19 years of experience reported themselves as V's VI's and VII's. Those with 29 years of experience reported themselves as VI's, VII's and VIII's. When the TEAM salary levels are correlated with similar NSPE experience levels, it is apparent that the NSPE data strongly supports TEAM.

TEAM contends a major flaw in the City's approach to the NSPE data is that the City relies on just one of the many statistical

groupings used by the NSPE. The NSPE warns against such an approach.

The distinguishing factor of TEAM's membership is the relatively high level of experience its members represent. Among TEAM's II's, the mean length of service with the City is 11.2 years and the median is five years. Among III's, where most of the employees are, the mean and the median are both approximately 19 years. Among the IV's, the median is 29 years and the mean is 26.8 years. These extremely high experience levels cannot be ignored.

The NSPE does not ignore such experience. The NSPE surveys make a specific correlation between salary levels and length of experience. To eliminate the City's complaint that TEAM fails to focus on civil engineers, one should review the NSPE surveys to determine the median wages being paid to Civil Engineers (general) who have the same median years of experience as the TEAM personnel and see how they compare with the City's offer and TEAM's offer.

1987

TEAM Level	Actual TEAM Med. Yrs. (UX 54)	NSPE Median For C.E. (General) UX 33 p. 27-28	City Proposal (Median-CX 10)	TEAM Proposal (Median CX 10)
I	1	24,014	27,977	28,387
II	5	37,000	35,373	35,890
III	19	48,846	41,956	42,570
IV	29	53,000	47,688	48,386

1988

UX 34 (p. 26-27)

I	1	25,200	28,676	29,522
II	5	37,236	36,257	37,326
III	19	49,469	43,005	44,273
IV	29	56,172	48,880	50,321

It is clear that when the all important experience factor is included, the NSPE figures fully support TEAM's position.

In contrast, the City's use of the NSPE data arises from discounting the wage data by reason of the fact that Milwaukee lies within "Region III," a region whose salary levels are probably somewhat negatively influenced by the notoriously low-pay Appalachian states of Kentucky and West Virginia. The evidence shows the 1987 national median wage for engineers in local government is \$43,000. The same table shows that the comparable median for the Milwaukee area is \$45,767, substantially higher.

Another flaw in the City's figures is they totally ignore TEAM's electrical engineers, mechanical engineers, architects, etc., all of whom average higher salaries than civil engineers and whose presence within TEAM should tend to increase the overall average.

The fact that TEAM, in 1979 fact finding, introduced an exhibit which made the same correlation between TEAM and NSPE positions as the City uses here, does not justify limiting comparisons to that one criterion. The 1979 exhibit was only one of many items relied upon by TEAM that year. Further, much seniority and experience have been built up in the intervening ten years.

On balance, the NSPE data would warrant significantly higher wage levels than TEAM is requesting, and by that very fact, weighs heavily against the City's position in this proceedings.

TEAM contends the City's evidence concerning salaries outside the City is unreliable and does not support the City's position.

The main pillar of the City's case consists of the opinions of its own employes concerning salaries they consider to be comparable, based primarily on a flawed survey of salaries in Wisconsin and elsewhere in the midwest.

A "classification" must include all of the tasks of all of the personnel within the class. Not all employes within the class will necessarily perform all of the tasks; but all of the tasks will be performed by one or more of the employes in the class. TEAM contends it is this definition of what is really meant by "job classification" that destroys the validity of the City's surveys.

Significantly, the City did not survey anything other than civil engineers; they did not compare mechanical engineers or electrical engineers--classifications within TEAM. It is obvious the City surveys contain almost none of the data required to produce reasonably fair and accurate comparisons of TEAM job classifications with those of other cities.

According to TEAM, the survey forms themselves were fatally defective. Numerous duties were omitted from the classifications prepared by the City. Additionally, CE IV's, electrical engineers, mechanical engineers, architects, ET VI's and others are totally omitted from the survey.

Even more significantly, the City's survey classification descriptions omit several of the central parts of a fair and reasonable job classification description: particular skill and knowledge required; pressure or stress associated with the work; physical and mental demands; consequences of error; physical and

environmental conditions; amount and nature of supervision received; amount and nature of supervision given.

The City survey also relies upon people in other cities to form their own conclusions, comparisons and judgments. These are people whose identities, qualifications, objectivity and fairness are unknown. Nor is it known how much time and care they devoted to the exercise. The nature and extent of engineering services vary widely from city to city, and it does not make sense to compare the employes of public works departments which, like Milwaukee, do virtually all engineering and technical work, with those whose main job can only be to facilitate contracting work out to others.

In comparing TEAM with TEAMCO, the City argues that TEAMCO's ET IV's are paid more than the City's ET IV's without the M-step, but less than the City's ET IV's who are in the M-step. TEAM submits that such comparison favors TEAM, not the City. TEAMCO doesn't have an M-step, with the increase in education and experience required to obtain the M-step pay levels. The City is attempting a comparison between unlike positions. To the extent they are comparable, without considering the M-step, the comparison clearly favors TEAM's position in this proceedings.

Furthermore, the reclassified TEAMCO employes got annual raises over the two-year period from 1986 to 1988 ranging from 9.56% to 26.6%, with the average raise being 13%. The weighted average increase for all TEAMCO employes exceeds 9%.

As to the City's State of Wisconsin evidence, TEAM contends it is unfair to compare TEAM's salary levels, where all of the

employees are located in the State's largest metropolitan area with its attendant high cost of living, with State of Wisconsin employees, whose average salaries tend to be dragged down by employees working in areas of the State which have a lower cost of living.

City witness Hendrick testified that the City has no recruitment problem and low turnover. He conceded, however, that the City's classification supervisor stated in a communication to the City Service Commission that a proposed new promotion program was needed not only to enhance minority and female hiring, but also for "enhancement of the Bureau's ability to recruit engineers generally." The same letter refers to the need for improvement of "the City's ability to retain engineers in whom considerable training has been invested, and an increase in employee motivation and morale." This letter was written without reference to an arbitration proceedings and should be given considerable weight.

Moreover, turnover data is a two-sided coin. While it is true that turnover has been relatively low, it is also true that low turnover has resulted in an unusually high number of senior and experienced employees who continue to work for the City. This is of substantial benefit to the City and supports the argument that years of experience must be given appropriate weight in comparing TEAM employees with engineers elsewhere in the country.

The City's criticism of TEAM's evidence is based upon either misunderstanding or misinterpretation of the evidence. The bar graph comparisons between the median salaries of all responding NSPE members for 1986, 1987 and 1988 on the one hand, and the

salary level of TEAM's CE's for the same years under the TEAM's salary scenario and the City's salary scenario on the other hand, are valid. The City complains these are defective because they should have used "full-time salaried employes only" rather than "all members responding" as the standard of comparison. The NSPE median salary was used merely as a point of reference to show what would happen to the relative position of TEAM wages in relation to the median under the TEAM salary scenario and under the City salary scenario. As TEAM witness Meyer testified, it makes no difference which of the NSPE median salaries is used because the trend will be the same. The City also overlooks that the second page of each of the exhibits the City objects to compares TEAM's position relative to engineers in the Milwaukee area, showing the same general results.

The NSPE bar graph evidence submitted by TEAM powerfully rebuts the City's position that TEAM is doing very well relative to the engineers covered by the NSPE surveys. The City failed to attack the substance of this evidence but instead made a misguided attack based on misunderstanding of what it is the evidence purports to show. The negative trend would be substantially the same no matter which of the NSPE median income figures is used.

The City thinks it is "absurd" to point out that the real value of TEAM's salary has gone down significantly since 1970. Again, the City does not attack the substance of what the TEAM's exhibits show in this regard. There have indeed been many contracts made since 1970, but that does not mean that TEAM has permanently acquiesced in a never-ending wearing down of the value

of its compensation. The salaries requested by TEAM in this proceedings would not close the gap in real value that has developed since 1970, or even stop the slide in real value.

The City also criticizes TEAM's evidence claiming some of the data exceeds the 1987-88 time frame and is not specific to engineers. These criticisms again fail to attack the merits of the evidence. The evidence shows numerous contracts which provide for 1988 salary increases far in excess of the 2.5% offered by the City for that year. In complaining that the data is not specific to engineers, the City departs from its often trumpeted theory that TEAM members should be held to the same wage increases given to Milwaukee non-engineers.

Regarding the issue of life insurance, TEAM notes since May of 1986, City of Milwaukee management personnel, including those in the Department of Public Works, have had the option to increase their supplemental life insurance coverage from the previous base of once times annual salary to a maximum of 1.5 times annual salary, rounded to the next highest thousand dollars. The City pays the full premium up to \$35,000 of insurance. Above that amount, the premium is shared on the basis of 21 cents per \$1,000 of coverage payable by the employe, and 43 cents per \$1,000 coverage payable by the City.

If TEAM's insurance proposal is adopted, there will be no cost to the City during the contract period since life insurance cannot be made retroactive. There would result, of course, in a prospective cost but that will be negligible--approximately \$16,000 for the entire unit. The City itself evaluates the

approximate annual cost of TEAM's insurance proposal for the entire unit at a mere \$16,068.

TEAM asserts the life insurance benefit is inexpensive to the City, but very important for the membership since it affords family protection not available at such modest cost elsewhere and it is needed to cover the situation where an employe dies before he becomes entitled to pension payments. One year's salary insurance protection is not enough in this day and age. If the 1.5 times annual salary is suitable for management level employes, it is equally suitable for the professional employes of the City, such as the members of TEAM.

For the above reasons, TEAM requests that its final offer be awarded by the arbitrator.

CITY'S POSITION:

It is the City's position that its final offer is the more reasonable of the final offers before the arbitrator. It is argued by the City that internal comparables of voluntary settlements carry heavy weight in interest arbitration proceedings. Numerous arbitrators have stated that internal comparisons are one of the primary factors taken into consideration in determining which of the final offers should be awarded. The view of arbitrators was best summed up by Arbitrator Joseph Kerkman in Decision No. 24870-A when he wrote:

"[T]he mainstream of arbitral opinion is that internal comparables of voluntary settlements should carry heavy weight in these proceedings."

The clear implication from the above citation is that the voluntarily settled contracts are significant factors and worthy

of being determinant in a case where the union is merely trying to "get more" through arbitration.

According to the City, irreparable harm would be done to the collective bargaining process if TEAM were to prevail in this proceedings. A divergent outcome in this proceeding from that which has been achieved by voluntary settlements would necessarily discourage collective bargaining and would result in labor turmoil. Labor turmoil is most certainly contrary to the interest and welfare of the public.

There is a fundamental labor relations axiom which holds that when a major pattern-setting labor organization is the first union to settle a contract, then that contract shall not be topped. This axiom is a cornerstone of sound labor relations. If the pattern established by the negotiated settlements is broken, then in the future other unions, which were first to negotiate a contract, would be reluctant to do so again. The City would find it increasingly difficult to negotiate labor agreements.

It is instructive to review the agreements the City has reached with other bargaining units. City witness Joe Ellis, Labor Relations Supervisor in the Division of Labor Relations, testified as to the other contracts between the City and the unions. Regarding the firefighters' contract, Ellis testified that the hours reduction from 52.3 to 49.8 hours was accomplished by reducing the holiday and vacation benefits for firefighters. After the City took away all firefighters' holidays to accomplish the work reduction, the City did return one holiday.

While the City granted increases of 3%/2%/3%/2%, it was able to do so as a result of a reduction in the duty disability pension benefits that firefighters were receiving. This savings was accomplished by reducing the age at which firefighters must convert from duty disability pension to a normal service retirement pension. The duty disability pension is indexed to the salaries of active firefighters, and the service pension is not indexed. There was also a modification to injury pay whereby the City would be subrogated to the entire amount of the injury pay (80%) rather than 67% as was previously found in the contract. Additionally, two new steps were added at the bottom of the pay range where there are a significant number of firefighter recruits each year.

The total package cost for the firefighters' contract for the two-year duration was under 6%. Ellis estimated the cost to be on the order of 5.8% or 5.9%. While the firefighters did receive a "lift" of over 10% in pay over the two-year duration, they paid for the wage increase by agreeing to significantly reduced benefits in other areas. TEAM has not offered to reduce its benefits in other areas in order to pay for its wage increase demand of 4% and 4%.

The interest arbitration award between the City and the Milwaukee Police Supervisors' Organization (MPSO) reflects a wage increase of 3%/2%/3%/2%. There has been a historical parity relationship between firefighters and police officers. The MPSO agreement resulted in certain take-backs by the City, including a reduction in the duty disability conversion age to normal service

retirement from 57 to 54, and the imposition of a 100% cap on the maximum service retirement allowance. This cap had previously been imposed on the firefighters. Additionally, the arbitrator deleted the gun allowance from both years of the contract at \$550 per year per MPSO member, and deleted the auto allowance--a flat \$100 per year MPSO member--from both years of the contract. The MPSO did not receive an additional day off in lieu of holiday for Martin Luther King Day. The total package cost of the MPSO interest arbitration award was below 6%, something on the order of 5 1/2%.

The Milwaukee Police Association (MPA) received an increase of 5.06% for each of two years, however, the pay increases were delayed until pay period 12 in each year. Additionally, a service retirement allowance cap was imposed and the City increased the subrogation clause relating to injury pay. The probationary period for police officers was extended to 16 months, and the MPA did not receive an additional day off in lieu of holiday pay for Martin Luther King Day. The arbitrator determined that the total package cost to the City for the two-year duration of the contract was 6.14%.

The City notes that the approximate 6% package cost was maintained in the protective services. Since 1965, protective service settlements have differed, in some cases significantly, from those of general City employees.

Ellis testified that District Council 48 received across-the-board pay increases of 2 1/2% in 1987 and 2 1/2% in 1988. The City did make a one-time-only payment of \$250 which was a quid pro

quo for the privilege of rescinding a seniority layoff arbitration award in order that the City was no longer obligated to make seasonally laid-off workers whole during winter season layoffs. Ellis testified that the cost savings of buying back this arbitration award was significant. The total package cost for the District Council 48 contract was less than or equal to 6%. All other City contracts contain across-the-board general increases of 2 1/2% in 1987 and 2 1/2% in 1988, for a total package cost over the two-year duration of less than or equal to 6%.

While the City concedes that the Staff Nurses Council settled for a general across-the-board increase of 2 1/2% in 1987 and 1988, plus a step realignment in the second year, and the total package cost over the two-year duration was 8.4%, special circumstances warranted such increase. The City was losing nurses and was unable to replace them or even obtain applications. The City's pay rates were lower than area hospitals and the County, which created additional recruiting problems.

It is further emphasized by the City that in excess of 3,000 employes were covered by contracts which were settled after the Staff Nurses Council contract was agreed to. Obviously, under these circumstances the other unions recognized the unique situation involving the nurses.

The internal comparables of unions representing other civilian employes overwhelming dictate a determination that the City's proposal on salaries is more reasonable than the proposal submitted by TEAM. Where there is no significant disparity relative to the external comparables, and no such disparity exists

in the instant case, internal comparables should be given controlling weight.

Both parties introduced evidence relating to the Consumer Price Index (CPI) as set forth in Section 111.70(4)(cm)7.g., Stats. Both parties utilize the CPI for all urban consumers (CPI-U). TEAM utilized CPI-U for all United States cities, whereas the City utilized CPI-U for the City of Milwaukee.

Section 111.70(4)(cm)7.g., Stats., does not indicate the appropriate period for reviewing CPI figures. Section 111.70(4)(jm)5.b., Stats., which applies only to members of a police department employed by cities of the 1st class, indicates that the appropriate CPI duration to be reviewed is "since the last adjustment in compensation for those members." The last adjustment in compensation received by TEAM members occurred on pay period 1, 1986. The following table for this period of time commencing with pay period 1 of 1986 establishes the following:

CPI - All Urban Consumers

<u>Year</u>	<u>Milwaukee</u>	<u>United States</u>	<u>Raises</u>
1986	-0.1%	1.1%	3.9%
1987	5.2%	4.4%	-
1988	3.7%	4.6%	-
	<u>8.8%</u>	<u>10.1%</u>	<u>3.9%</u>

The evidence establishes that the three-year CPI-U (Milwaukee) increase of 8.8% is 4.9% ahead of the raises received in that period, excluding those under consideration in this proceedings. If the City's proposed increase of 2.5% and 2.5% is added to the 1986 raise of 3.9%, it is apparent that the accumulated raises would total 8.9% over the three-year period, while the CPI-U has increased only 8.8% during the same period.

The City selected the cost-of-living base period of "the last adjustment in compensation for those members" as indicated in the statutes. TEAM selected January, 1987 through January, 1989 as the appropriate period to evaluate the CPI-U. When the last adjustment in wages was pay period 1, 1986, TEAM cannot ignore the three-year period, 1986, 1987, and 1988. Moreover, TEAM has cited no authority to support its selection of a base period.

One authority as to the appropriate base period was cited by Arbitrator William Petrie in his arbitration opinion and award issued June 8, 1980, Case No. CCII 24840 MED/ARB 463, involving the same parties. Petrie stated as follows:

"As referenced in the Union's post hearing brief, the normal base period used by arbitrators in applying cost of living consideration is the effective date of the last collective agreement; this practice is described in the following extract from Bernstein:

' . . . Arbitrators have guarded themselves against these risks by working out a quite generally accepted rule: the base for computing cost of living adjustment shall be the effective date of the last contract (that is, the expiration date of the second last agreement).⁸ The justification here is identical with that taken by arbitrators in the case of a reopening clause, namely, the presumption that the most recent negotiations disposed of all the factors of wage determination. "To go behind such a date," a transit board has noted, "would of necessity require a re-litigation of every preceding arbitration between the parties and a re-examination of every preceding bargain concluded between."⁹ This assumption appears to be made even in the absence of evidence that the parties explicitly disposed of cost of living in their negotiations. Where the legislative history demonstrates that this issue was considered, the holding becomes so much the stronger.' [Emphasis added.]" (Quoting from Bernstein's The Arbitration of Wages, at 75, 1954.)

If the Bernstein base-period methodology is applied, the appropriate period for the cost of living to be considered is 1985

through 1988. The following table establishes the relationship of the raises to the CPI.

CPI - All Urban Consumers

<u>Year</u>	<u>Milwaukee</u>	<u>United States/All Cities</u>	<u>Raises</u>
1985	2.9%	3.8%	3.5%
1986	-0.1%	1.1%	3.9%
1987	5.2%	4.4%	-
1988	3.7%	4.6%	-
	<u>11.7%</u>	<u>13.9%</u>	<u>7.4%</u>

The evidence establishes that the four-year CPI-U (Milwaukee) increase of 11.7% is 4.3% over the raises received in 1985 and 1986. If the City's proposed increases for 1987 and 1988 are added to the 1985 and 1986 raises, it is apparent that the accumulated raises would total 12.4% over the four-year period, while the CPI-U (Milwaukee) has increased only 11.7% during the same period. If TEAM's proposal were adopted, the raises would result in a 14.4% increase in wages over the period during which the CPI-U increased only 11.7%. Therefore, the City submits that its CPI period is more appropriate than that proposed by TEAM.

It is argued by the City that the comparable positions within the County and the State of Wisconsin support the City's final offer. For purposes of comparison, the City has selected five TEAM job classifications: Engineering Technician IV (ET IV), Engineering Technician (ET V), Civil Engineer (CE I), Civil Engineer II (CE II), and Civil Engineer III (CE III). The five selected job classifications contain a total of 131 TEAM members out of a total of 174, or 75% of the TEAM membership.

In obtaining survey data, the City sent brief job descriptions of the five job classifications to other

jurisdictions and asked them to review those job descriptions and match them to equivalent positions of their own. When the other jurisdictions returned the surveys, they also provided comparable job descriptions to the City which were subsequently reviewed by Archie Hendrick, formerly the Personnel Analyst responsible for recruitment and selection for the Bureau of Engineering, and Al Weber, Supervisor of the Classification Division of the City Personnel Department. The purpose of the review was to determine whether the jobs that had been selected as comparable to the City were in fact comparable based on normal classification standards. Weber testified that in classification work one is dealing with determinations about the substantial similarity of jobs. A classification is a collection of substantially similar positions, similar enough to allow jobs to be grouped for pay and other purposes.

With respect to Milwaukee County, the City's classifications of ET IV, ET V, CE I, CE II, and CE III, were determined to be comparable to Milwaukee County's ET III, ET IV, CE I, CE II and CE III, respectively. It should be noted that a City ET IV matches a County ET III, and a City ET V matches a County ET IV. The same positions were determined to be comparable to the following State of Wisconsin classifications: ET 2, ET 5, CE I, CE II and CE III. The City's rates include the City's proposed increase of 2 1/2% for 1987 and 1988. The Milwaukee County rates include a 3% increase in 1987, a 3% increase in 1988, and a reallocation which was effective January 24, 1988. The evidence shows that the City of Milwaukee is higher than the County in all classifications,

with the exception of the City's ET IV without the M-step and the County's ET III's. The comparison of City ET IV's and County ET III's indicates that the County minimum and maximum without the M-steps are higher, however the maximum with the M-step indicates the City is significantly higher than the County.

In comparing the City's rates to those of the State, the City included its proposed increase of 2 1/2% and 2 1/2% for 1987 and 1988, and the State's rates include the increase of 2.1% and 2%, both given July 1 of the respective years. The evidence shows the City of Milwaukee is higher in all categories with the exception of the City ET IV's at the maximum without the M-step compared to State ET 2's. It should be noted that the City ET IV's maximum with the M-step shows the City significantly higher than the State for comparable positions.

The City submits the favorable comparison of the City's five job classifications with the comparable classifications with the County and the State make it plain that the City's proposed increase of 2 1/2% in 1987 and 2 1/2% in 1988 is more reasonable than the proposal made by TEAM.

A substantial amount of evidence was introduced by both parties which was derived from the annual salary surveys conducted by the National Society of Professional Engineers (NSPE). According to the City, there are several "highlights" found in each of the three surveys covering the years 1986, 1987, and 1988 which are particularly applicable to the instant dispute.

1. By major branch of engineering, those in Civil Engineering (general) earn less than those in most other branches.

2. Engineering employes of state, local and federal governments have among the lowest median incomes of all engineers.

3. Geographically, Region 3 (including Wisconsin, Illinois, Michigan, Indiana, Ohio, Kentucky and West Virginia) has the second lowest median income for all engineers.

In the instant proceedings the City has equated the classifications between the City and the NSPE by level of responsibility, which is the same manner as presented by TEAM in the last interest arbitration in 1979. Another important fact is the method in which NSPE treats what is referred to as "income base rate." NSPE explains that the 1986 income base rate of \$27,400 is derived from the latest available information on starting salaries offered to new engineering graduates or seniors. The \$27,400 is recognized as a weighted average figure for all branches of engineering. NSPE recognizes that depending upon the branch of engineering at issue, one should utilize a factor to adjust the income base rate for a specific branch of engineering. For example, civil engineers should be adjusted by a factor of 0.871, which would indicate a recommended dollar amount for a starting salary for a civil engineer of \$23,865. This NSPE-recognized factor methodology shows that using a dollar figure that applies to "all engineers" overstates the market value for civil engineers. It is significant that for all indicated NSPE responsibility categories, the City's proposed medians would exceed the 1987 and 1988 NSPE medians. It is important to note that the NSPE, the Wisconsin Professional Engineers, the ASCE and Bureau of Labor Standards are all in agreement as to what the title of Engineer I/II means.

The NSPE survey information does not give a regional breakdown by level of engineering. The regional numbers given by the NSPE and used by the City are for full-time salaried engineers, including executive and management engineers whose salaries would bias the median upward. In order to arrive at regional data, one would have to use a factor from the national data and apply it to the regional data. It is clear from the evidence, that the City's proposed increase added to the current median would exceed the 1987 Region 3 median and the 1988 Region 3 median for the various levels of engineering.

The City notes that even though civil engineers are generally paid less than all engineers when compared to engineers in all branches of engineering in the NSPE surveys, the City still pays higher than the medians found in the NSPE data.

The Wisconsin Society of Professional Engineers is affiliated with the NSPE and received all data pertaining to Wisconsin respondents to the 1988 NSPE salary survey to develop its report. In all cases, the City's proposed 1988 median for the equated levels of engineering exceeds those found in the WSPE report.

The 1987 BLS median salary for all engineers in metropolitan areas adjusted by the NSPE nationwide factor of 0.951 for Civil Engineers (general), the result of which is then compared to the City's proposed 1987 median as well as TEAM's 1987 proposal, establishes that the City's proposed median exceeds that of the BLS after an adjustment for Civil Engineering (general). The BLS data covers "all engineers," and the NSPE survey shows that civil engineers only make 0.951 of that which "all engineers" make.

The City asserts that all TEAM exhibits that relate to NSPE salary data used the median salaries for "all members responding." In contrast, the City's exhibits emphasize full-time salaried employes only, Civil Engineers (general), engineers in local government, engineers in Great Lakes NSPE Region 3, and engineers at various levels of responsibility. There is no significant disparity between the City's proposed salaries and these external comparables. The City's exhibits clearly indicate that the City's wage proposal of 2.5% in 1987 and 2.5% in 1988 is more reasonable than the TEAM proposal.

In addition to surveying the County and the State, the City also surveyed the following midwestern cities: Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Minneapolis, St. Louis and Toledo. After reviewing the survey results, the City discarded the Indianapolis survey data as it was concluded that the Indianapolis job classifications were not comparable to the City's.

Of the jurisdictions listed, the City ranks third in both minimum annual salary and maximum annual salary average based on overall average ranking.

There is no doubt that the evidence indicates that the City's proposal is more reasonable than the TEAM proposal when compared with other midwestern jurisdictions. The City's salaries for the five job classifications compare very favorably with nine other major midwestern cities when the City's proposal of 2 1/2% in 1987 and 2 1/2% in 1988 is taken into account.

The number of candidates on the current eligible list from which the Bureau of Engineers can hire entry-level engineers is 215. The CE I eligible list of 215 people is a merged list, including recruitments from 1986, 1987 and up to November, 1988. It is emphasized by the City that the individuals on the eligible list are periodically surveyed to determine whether they are still interested in positions with the City. The last time the City conducted a survey of the current eligible list for CE I was September, 1988, and those people on the list were contacted and were still interested. The only area in which the City had difficulty in recruiting was in the area of minorities. The testimony clearly establishes that the City has not had difficulty in recruiting engineers nor indeed has the City had difficulty in retaining engineers. Therefore, recruitment and retention are not factors in determining the appropriate level of pay in the instant dispute.

While TEAM represents engineering technicians, District Council 48 represents drafting technicians. TEAM witness Meyer testified: "Those positions [DT's] have been historically tied to our Engineering Technicians as far as wage increases. And they were given a reallocation in this contract as a catch-up." Meyer further observed that District Council 48 employees received a 2 1/2% increase for 1987 and a 2 1/2% increase for 1988.

The City concedes that Meyer's description of the relationship of drafting technicians to engineering technicians as having been historically tied to be a true and accurate statement. Furthermore, his description of the reallocation received by

drafting technicians in the 1987-88 District Council 48 contract is also correct. The drafting technicians "caught up" to the engineering technicians to re-establish the historical wage tie. The City argues its proposal of 2 1/2% in 1987 and 2 1/2% in 1988 would result in the re-establishment of an historical pay relationship between the TEAM and the District Council 48 employes. The re-establishment of the historical link between these TEAM and District Council 48 employes establishes the reasonableness of the City's proposals of 2 1/2% and 2 1/2%. To grant the TEAM proposal of 4% in 1987 and 4% in 1988 would again break the historical equity between these two groups of employes.

Ellis's own testimony establishes that the \$250 granted District Council 48 employes was the quid pro quo for a seniority layoff arbitration award the City was willing to pay to get out from under. It was not a signing bonus.

The City has used a 6% package parity which represents the City's proposed parameters for settling contracts with its bargaining units. The 6% reflects the total cost over the two-year contract duration. The TEAM proposal would result in a 8.73% cost over the contract duration. This total amount is 2.73% over the City's package parity of 6%. The City's proposal would result in a total contract duration cost of 5.52%, or 0.48% below the City's package parity of 6%. The City notes the potential labor relations impact resulting from a TEAM contract which would exceed the City's proposed package parity of 3% per year. TEAM is 2.73% over the 6% contract duration package parity figure, and if the other general City employes, excluding police and fire, received

that 2.73% deviation in the next round of bargaining the total dollar impact would exceed \$4 million dollars.

The City submits the evidence has not demonstrated significant disparities in the wage rate proposed by the City relative to external comparisons. TEAM's emphasis on NSPE data, which represents the median salaries for "all members responding," is misleading. Utilizing this information would not only include higher salaried self-employed owners or principals and higher salaried faculty members, but would also include higher paid major branches of engineering such as petroleum, nuclear, chemical and aeronautical. The City submits that TEAM's selection of the data for "all members responding" rather than the data for "full-time salaried employes only" was obvious. The "all members responding" median was higher than the one the TEAM employes would have checked had they participated in the salary survey, i.e., "full-time salaried employes only." On this basis alone, the arbitrator ought to reject the TEAM exhibits relating to the NSPE data as they inflate the figures.

The City also contends that TEAM's attempt to compare its current wage position to 1970 purchasing power is absurd. Such evidence totally ignores the many voluntarily negotiated contracts which have existed in the interim.

TEAM has argued that a more objective and reliable indicator of how City people would equate or fit into the NSPE engineering categories is to compare years of experience. TEAM witness Meyer testified if one would compare years of experience, one would find that TEAM II's would not consider themselves equal to the NSPE III

level, but rather, the equivalent of NSPE IV's and V's. The NSPE respondents would only have the survey response form and the NSPE position description available to them while they were filling out the form. Nothing in these two documents equates years of experience to engineering levels, so it would be impossible for respondents to look at years of experience and subsequently equate themselves to an engineering level based on years of experience. The NSPE respondents could only have done that which TEAM suggests if they had NSPE salary survey results in their hands at the time they filled out the form. Those results are obviously not available until all completed response forms are submitted and compiled.

The City proposes to increase the fully City-paid life insurance premium from the first \$22,000 of salary to the first \$24,000 of salary. All other life insurance provisions are to remain the same. TEAM proposes that the life insurance coverage of one times annual salary be increased, at the option of the TEAM member, to one and one-half times the annual salary. The formula for City-paid premium and employe premium would remain the same.

The City introduced evidence comparing life insurance benefits between the City and the County, the State, and ten other midwestern jurisdictions. The current life insurance coverage is one times annual salary for the basic coverage. Of this, the City pays 100% up to \$22,000 coverage and then roughly 67% of the premium for that over \$22,000 up to one times annual salary. The employe pays roughly 33% of the premium for that over the \$22,000 up to one times annual salary. Additionally, when an employe

dies, other death benefits the employe's beneficiaries receive are a lump-sum payment equal to one-half the employe's annual salary plus the return of pension contributions made on behalf of the employe. The City pays 100% of the first \$22,000 for District Council 48.

In comparing the other comparable jurisdictions, including the County, the State, and the other midwestern jurisdictions, only two municipalities could arguably have better basic coverage than the City. It must be noted that no jurisdiction pays any portion of the premium attributable to the additional optional coverage, if they provide optional coverage at all.

Currently, all other general City civilian bargaining units have life insurance up to one times an employe's annual salary. TEAM would be the first general City bargaining unit to have up to one and one-half times salary life insurance coverage.

The City's management has coverage of one times annual salary for life insurance plus they have an option for an additional one-half annual salary life insurance coverage. The City pays the first \$35,000 of coverage, and after that the employe pays 21 cents (33%) and the City pays 43 cents (67%) per thousand.

While management does have better life insurance benefits available than all other general City employes, City management also has benefits which are less than those received by other general City employes. For example, management has 12 days of sick leave per year, whereas other general City employes have 15 days of sick leave per year. Additionally, management received a 2 1/2% increase and a 2 1/2% increase, and they used to have six

pay steps in their plan which were automatic, just as TEAM's pay steps are automatic. Management has switched to a plan where advancement in pay steps is not automatic, but rather based on merit.

The City submits its life insurance proposal is more reasonable than TEAM's proposal, in that it parallels the life insurance coverage received by all other nonmanagement general civilian employees. Furthermore, the City's proposal is clearly among the best of all other jurisdictions surveyed.

For all the above reasons the City respectfully requests that its final offer be awarded by the arbitrator.

DISCUSSION:

The parties are in disagreement as to both the weight to be accorded internal comparables, as well as what the internal comparables show for 1987 and 1988. The City takes the position that internal comparables should be given significant, if not controlling, weight while TEAM takes the position internal comparables become significant only if the other statutory criteria fail to support either party's position.

The preponderance of arbitral authority reflects the view that internal comparables, i.e., collective bargaining agreements voluntarily entered into between the employer and other labor organizations, should be given significant weight. There are a number of reasons offered for adopting such position. One reason is that voluntary settlements between an employer and other unions reflect the results of collective bargaining, and if interest arbitration is intended to provide the parties with the same

results bargaining would have provided, other settlements give guidance as to what that result would have been if the parties had bargained an agreement. Settlements with other labor organizations reflect the factors normally taken into consideration by the parties in reaching a voluntary settlement including such factors as the cost of living. Some arbitrators have expressed the concern that if either party is permitted to deviate from the pattern of voluntary settlements through arbitration without considerable evidence to support such deviation, it will only serve to encourage the use of arbitration in the future.

Although the prevailing view of arbitrators is to give significant weight to internal comparables, arbitrators also recognize that in a particular situation there may be justification for deviating from the pattern of voluntary settlements. However, there appears to be a consensus among arbitrators that the party seeking such deviation from the established pattern has the burden of justifying such deviation.

In the instant dispute the City contends there is a pattern of settlements which reflects a 2 1/2% increase for 1987 and a 2 1/2% increase for 1988, and a total package cost over the two years of 6%; and, that pattern should be applicable to TEAM. TEAM argues there is no pattern of settlements as is established by the fact settlements have ranged from 5 1/2% for MPSO to 8.4% for Staff Nurses Council over the two-year period; firefighters and police received a "lift" in wage rates of 10% over the two-year

period; and District Council 48 received in addition to the 2 1/2% for each year an additional \$250 payment.

While it is true that the City reached settlements for 1987 and 1988 with a number of bargaining units on the terms the City has incorporated in its final offer, 2 1/2% for each of the two years, it is also true that a number of agreements have deviated from the pattern, and those deviations represent a substantial majority of the employees with whom the City has a bargaining relationship.

District Council 48 settled for 2 1/2% and 2 1/2% plus \$250. According to the City, the \$250 was a "buy back" of an unfavorable arbitration award concerning seasonal employees. The MPA received an arbitration award providing an increase of 5.06% beginning with pay period 12 of each year. According to the City, the police made several concessions in the area of disability and retirement which affect the cost of the total package. Firefighters settled on split increases of 3%/2% each year, and MPSO received a similar increase as a result of an arbitration award. In addition to the wage increase, the firefighters also received an hours reduction made possible by a concession in vacation and holidays and added two steps at the bottom of the salary schedule. MPSO made concessions in the areas of gun allowance and car allowance. The nurses reached a voluntary settlement of 2 1/2% each of the two years plus a 2 1/2% reallocation in 1988.

The total number of employees covered by agreements that deviate from the 2 1/2% per year pattern is approximately 5,640.

The total number of employes who settled on the basis of 2.5% for each year is approximately 811. (C-45)

Based on the evidence, it must be concluded that for whatever reason the settlement pattern for 1987 and 1988 is not 2 1/2% per year. While the total package costs for those years may approximate 6% because of deferred increases or "give backs," in the police, fire and nurses' units the "lift" is 7 1/2% to 10% in wages. Based on the evidence, it must be concluded that there is no pattern of settlements which would prescribe the settlement for TEAM.

Both parties point to the cost of living in support of their respective positions with differing results. The City uses the CPI-U for Milwaukee, while TEAM uses the CPI-U for the United States. The difference in the figures over the two-year period is not determinative of this dispute. TEAM calculates the CPI two-year increase at 8.48% from 1/1/87 to 1/1/89. The City calculates the CPI two-year increase at 8.8%. The real disparity in the parties' respective positions regarding the CPI is the base period to be used.

The City takes the position, relying on a prior case involving the same parties, that in comparing the cost of living to wage increases the cost of living for the last year in which a wage increase was granted must be included in the computations. Therefore, cost of living must be computed for 1986, 1987 and 1988. TEAM disagrees with the City's position arguing the City seeks to include 1986 because of the low CPI for that year which was an aberration.

Arbitrator William Petrie in his 1980 award quoted Arbitrator Bernstein regarding the base period to be considered in computing the cost of living. Bernstein concluded "the base for computing cost of living adjustment shall be the effective date of the last contract (that is, the expiration date of the second last agreement)." This methodology first appeared in the arbitration annals in New York City Omnibus Corp. Et Al, 7 LA 794. At page 802 the board stated:

"The cost of living principle is normally applied to compensate, in whole or in part, for changes in living costs from the date of the last agreement or adjustment."

In that case the term of agreement was prospective as the agreement was for the period October 1, 1946 to January 1, 1948. The award was dated June 18, 1947. In Los Angeles Transit Lines, 11 LA 118, the board concluded:

"The chairman is of the opinion, however, that neither of these suggested dates [October 1945 or January 1940] is appropriate, and that June, 1947, the effective date of the last collective bargaining agreement, is a more logical choice."

The chairman further concluded:

"Moreover, in determining the amount of wage increase necessary to offset a rise in living costs the general practice is to measure only the change in living costs occurring after the parties last wage negotiations, since there is a presumption that all pertinent factors were considered in the previous bargaining."

In Los Angeles Transit Lines the award was also prospective.

Based on arbitral authority, it seems apparent that when the cost of living is being projected it is appropriate to select a base period starting with the last agreement.

In the instant dispute the cost of living for 1987 and 1988 is known, and based on that criteria the evidence supports

TEAM's final offer, as the cost of living exceeded the 8% being sought by TEAM.

While cost of living is one of the statutory criteria, it is not the only criterion to be considered. In addressing the issue of cost of living, the board in New York City Omnibus Corp., supra, reached the following conclusion at p. 801:

"There can be little question that changes in the cost of living are relevant to wage determination. Living costs significantly determine the value of the money wage received by the employees. This does not imply that other factors may not be equally important to wage setting. If this were not so, all wage bargaining could be reduced to applying an escalator clause. The conclusion that changes in living costs are significant, but not decisive, requires the rejection of the position of the Company that the principle has no relevancy to this case. The view of the Union that it is necessarily entitled to a real wage at least equal to that achieved after the last money wage increase is likewise rejected."

Therefore, cost of living must be considered in conjunction with other factors, other statutory criteria, including comparables.

Considerable evidence was introduced regarding external comparables including data from the National Society of Professional Engineers' "Professional Engineer Income and Salary Survey Summary" for 1987 and 1988. Both parties refer to the survey data extensively, but differ in their view of what constitutes relevant data. TEAM takes the position the all important factor for comparison purposes is the experience level of TEAM members compared to the experience level of Civil Engineers (general). The City takes the position that the appropriate basis for comparison is between the classification represented by TEAM and those comparable classifications used in the NSPE survey.

The comparison used by the City is the same comparison used by TEAM in the 1979 proceedings. While conceding this fact, TEAM notes that exhibit was but one of many exhibits it introduced during those proceedings.

In the opinion of the undersigned, the appropriate comparison includes levels of responsibility and experience. The following table represents the median salaries for engineers by level of responsibility and length of experience as contained in the NSPE surveys for 1987 and 1988 compared to the median salaries of the respective final offers.

Table 1

1987

<u>Level of Responsibility</u>	<u>"Level of Professional Responsibility" Median Salary</u>	<u>Actual TEAM Median Years</u>	<u>"Length of Service and Level of Professional Responsibility" Years</u>	<u>Median Salary</u>	<u>City Proposed Median</u>	<u>TEAM Proposed Median</u>
Engineer I	28,040 (1)	1	1 yr.	26,267	27,977	28,387
Engineer II	28,040	5	5-9 yrs.	34,450 (2)	35,373	35,890
Engineer III	30,900	19	15-19 yrs.	40,000	41,956	42,570
Engineer IV	37,800	29	25-29 yrs.	43,000	47,688	48,386

1988

Engineer I	28,500 (1)	1	1 yr.	26,246	28,676	29,522
Engineer II	28,500	5	5-9 yrs.	33,357 (2)	36,257	37,326
Engineer III	32,400	19	15-19 yrs.	40,132	43,005	44,273
Engineer IV	39,500	29	25-29 yrs.	43,000	48,880	50,321

- (1) NSPE Groups I & II together
 (2) I/II Level 5 through 9 years.

Table 1 clearly establishes that under either final offer the median salary for engineers represented by TEAM will exceed the median salaries of engineers in comparable levels of responsibility and with comparable experience. Neither the NSPE table entitled "Level of Professional Responsibility" nor the NSPE table entitled "Length of Service and Level of Professional Responsibility" differentiate between major branches of engineering. Thus, it can be concluded the data includes all branches of engineering including those that have higher salaries than civil engineering. This addresses TEAM's argument that the salaries of TEAM Civil Engineers should be higher than those for other Civil Engineers as the bargaining unit includes other branches of engineering which are paid higher salaries.

A major difficulty with the data relied upon by TEAM is that it fails to distinguish levels of responsibility. TEAM asserts the "all important" factor is experience. Experience is an important factor but not in isolation; it must be considered in conjunction with level of responsibility. The NSPE data relied upon by TEAM includes all levels of engineers, including supervisory engineers, who are not part of the bargaining unit.

The evidence shows that based on level of responsibility and experience, the City is highly competitive in the salaries it pays its engineers. It will remain competitive under either final offer. Certainly it cannot be argued that "catch-up" is a factor in this case.

Table 2 is an analysis of the increases (decreases) between 1986 and 1987 and 1987 and 1988.

Table 2"Level of Professional Responsibility"

	<u>1986 Median</u>	<u>1987 Median</u>	<u>\$ (%) Inc.</u>	<u>1988 Median</u>	<u>\$ (%) Inc.</u>
Engineer I	27,390 (1)	28,040	650 (2.3)	28,500	460 (1.6)
Engineer II	27,390 (1)	28,040	650 (2.3)	28,500	460 (1.6)
Engineer III	31,000	30,900	-100 (-.3)	32,400	1,500 (4.9)
Engineer IV	36,992	37,800	808 (2.2)	39,500	1,700 (4.5)

"Length of Service and Level
of Professional Responsibility"

	<u>Actual TEAM Median Years</u>	<u>1986 Median</u>	<u>1987 Median</u>	<u>\$ (%) Inc.</u>	<u>1988 Median</u>	<u>\$ (%) Inc.</u>
Engineer I	1	26,510 (1)	26,267	243 (-.1)	26,226	-21 (-)
Engineer II	5	32,760 (2)	34,450	1690 (5.2)	33,357	-1093 (-3.4)
Engineer III	19	38,500	40,000	1500 (3.4)	40,132	132 (.3)
Engineer IV	29	42,000	43,000	1000 (2.4)	43,000	0 (0)

(1) NSPE Groups I and II together

(2) I/II Level 5 through 9 years

Table 2 establishes that for 1987 and 1988 the increases in median salaries is closer to the 2.5% increase offered by the City for each year than the 4% per year sought by TEAM. Based on Tables 1 and 2 it can be concluded that the salaries received by TEAM are greater than those received by engineers with comparable levels of responsibility and experience, and, that the salary increases for 1987 and 1988 more closely reflect the salary increase being offered by the City.

A comparison of salaries received by TEAM employes and the salaries received by Milwaukee County employes in the same classifications is particularly significant. Both the City and the County are in the same labor market, and both are governmental jurisdictions. Additionally, a comparison with County salaries was made in the previous arbitration case involving the parties.

A City Exhibit establishes that for 1988, with the 2.5% increase offered by the City, the following:

	<u>City</u>		<u>County</u>	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
CE 1	28,066	33,290	26,717	30,959
CE 2	31,899	37,838	29,670	35,100
CE 3	36,257	43,006	33,525	40,117

In the three comparable engineering classifications, the City exceeds the County at both the minimum and maximum steps.

A comparison of the comparable Engineering Technician classifications establishes that the City ET IV is somewhat less than the corresponding County classification without the M-step, while the City ET V is somewhat more than the corresponding County

classification without the M-step. If the M-step is included, the City's ET classifications are paid significantly more than corresponding County ET classifications. The salaries paid by the City are more than competitive with those paid by the County.

TEAM argues it is inappropriate to compare the salaries received by the employes it represents with the salaries received by engineers employed by the State of Wisconsin. In support of its position, TEAM notes that the State has engineers located throughout the State whereas those employes represented by TEAM reside in the Milwaukee area with its attendant higher cost of living. It is true that engineers employed by the State are located in different locations throughout the State. However, it is also true that a number of State engineers are located in Madison and Milwaukee. Since the State pays no geographic differential its salaries must be sufficient to attract employes to those areas where the cost of living is higher.

City Exhibit 36 indicates the State is a major employer of Civil Engineers 1, 2 and 3. Considering the number of Civil Engineers it employes and the close geographic proximity of Milwaukee to Madison, the State would be a competitor of the City in the recruitment of Civil Engineers. In the opinion of the undersigned, the State is a valid comparable especially in view of the fact it is also a governmental jurisdiction and shares many of the similarities of government employment with the City.

City Exhibit 36 establishes the following comparisons for Civil Engineers represented by TEAM and those employed by the State for 1988.

	<u>City (1)</u>		<u>State (2)</u>	
	<u>Minimum</u>	<u>Maximum</u>	<u>Minimum</u>	<u>Maximum</u>
Civil Engineer I	28,066	33,290	23,425	33,149
Civil Engineer II	31,899	37,838	25,219	35,923
Civil Engineer III	36,257	43,006	27,150	38,929

(1) Rates shown for the City include 2 1/2% for 1988

(2) Rates shown for the State are rates in effect 7/1/88

The evidence establishes that the City is highly competitive with the State, especially in Civil Engineer II and III classifications. In the Engineering Technician V classification the City's range, without the M-step, is \$29,289 to \$34,742, and with the M-step, \$29,289 to \$37,838 compared to the State's range of \$25,219 to \$35,923. The evidence regarding this classification is less conclusive.

In support of its final offer, the City introduced evidence as to the salaries paid by other midwestern cities to engineers and technicians the City deemed to be comparable. TEAM objected to that data on the grounds the City failed to properly determine if the classifications cited by the other municipalities were in fact comparable to the City's classification. The City contends it conducted the survey in accordance with procedures used by it and other employers in obtaining such data.

For purposes of this case, the undersigned is of the opinion data relating to other municipalities is of marginal value. With the exception of Chicago, the other cities are not in geographic proximity to the City. More significantly, data is available for comparison purposes with the private sector and public sector

in geographic proximity to the City. There is no evidence that the City is in competition with the other municipalities for engineers. This is not a situation where the dominant classifications contained in the bargaining unit are unique to a public employer.

A review of the evidence establishes that the salaries received by employes represented by TEAM are highly competitive with the salaries received by their counterparts in the private sector and in the public sector for 1987 and 1988 under either final offer. The evidence further indicates that at least for those private sector classifications considered comparable, the City's proposed increases more closely approximate the increases granted for 1987 and 1988.

TEAM argues that its rates should be higher in the Civil Engineer classifications because the bargaining unit includes other branches of engineering as well as architects who are paid more than Civil Engineers. If a distortion has arisen between the rates paid to engineers in the major branches of engineering and the architects, the appropriate manner in which to address such discrepancy is through the creation of separate classifications and salary ranges. It is not appropriate to address this problem by raising the wages of all employes, as the distortion would continue to exist.

The two statutory criteria emphasized by the parties were costing of living and comparables. Cost of living supports TEAM's final offer, whereas the comparables support the City's final offer. Where, as in this case, the salaries of bargaining unit

employees equal or exceed those of their counterparts in both the private and public sector, and, the increase offered by the employer approximates the increases in the private sector, cost of living becomes less of a factor. In weighing the two statutory criteria, it is the opinion of the undersigned that in this case the comparables must take precedence over the cost of living.

The evidence also establishes that the City has not experienced difficulty in recruitment, with the exception of minorities, or retention of employees. Unlike nurses, the City has been able to recruit and retain engineering personnel except in a few special areas. This strongly suggests the City is competitive with other private and public employers, as the evidence indicates.

TEAM is seeking to obtain the same insurance coverage that is presently offered to management personnel. No other bargaining unit with whom the City negotiates has the coverage being sought by TEAM. Certainly life insurance represents a benefit to employees, however, the fact that management personnel have a benefit does not automatically mean that bargaining unit personnel are also entitled to the benefit. Testimony indicates that management personnel have different benefits than those enjoyed by bargaining unit personnel. They have less sick leave per year and do not automatically progress through the salary schedule as do bargaining unit members.

There is no evidence that the insurance benefit being sought by TEAM is a benefit generally available to any other employee group. In the absence of such evidence, the undersigned can find

no basis under the statutory criteria for awarding TEAM the improvement it is seeking in the area of life insurance.

Based on a review of the entire record, and having given due consideration to the statutory guidelines, the undersigned renders the following

AWARD

That the City's final offer be incorporated into the 1987-1988 collective bargaining agreement along with the stipulations of the parties.



Neil M. Gundermann, Arbitrator

Dated this 25th day
of July, 1989 at
Madison, Wisconsin.