

BEFORE THE ARBITRATOR

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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In the Matter of the	:	
Arbitration Between	:	
	:	
GENERAL TEAMSTERS UNION	:	Case 18
LOCAL 662	:	Decision No. 25758-A
	:	No. 39924 INT/ARB-4724
and	:	
	:	
CITY OF HUDSON	:	
(DEPARTMENT OF PUBLIC WORKS)	:	
-----	:	

APPEARANCES:

Christel Jorgensen, Business Agent, General Teamsters Union, Local 662, appearing on behalf of the Union.

Clarence J. Ranallo, Staff Representative, Labor Relations Services, Employers Association, Inc., appearing on behalf of the City of Hudson and its Department of Public Works.

ARBITRATION HEARING BACKGROUND AND JURISDICTION:

On January 10, 1989, the undersigned was notified by the Wisconsin Employment Relations Commission of appointment as arbitrator under Section 111.70(4)(cm)6. of the Municipal Employment Relations Act in the matter of impasse between the Teamsters General Union, Local 662, hereinafter referred to as the Union, and the City of Hudson and its Department of Public Works, hereinafter referred to as the Employer or the City. Hearing on this matter was held on February 22, 1989 in Hudson, Wisconsin. During the hearing, the Union and the City were given full opportunity to present relevant evidence and make oral argument. A brief was filed with the arbitrator by the Union and a reply brief was filed by the City, the last of which was received on March 17, 1989. On March 20, 1989, the arbitrator received notice from the Union that it did not intend to file a reply brief.

THE FINAL OFFERS:

The remaining issues at impasse between the parties concern holidays, uniform allotments, additional pay and tool allotment for the mechanic, sick leave payout and wages, the specifics of which are identified in the final offers of the parties attached as Appendix "A" and "B".

STATUTORY CRITERIA:

Since no voluntary impasse procedure regarding the above-identified matter was agreed upon between the parties, the undersigned, under the Municipal Employment Relations Act, is required to choose all of one of the parties' final offer on the unresolved issues after giving consideration to the criteria identified in Section 111.70(4)(cm)7, Wis. Stats.

POSITIONS OF THE PARTIES:

Essentially the City makes three arguments in defense of its position, that the salaries it pays its employees are competitive within the relevant labor market, defined as St. Croix County, eighteen other counties in Wisconsin and a variety of cities throughout Wisconsin and eastern Minnesota; that its offer maintains this favorable position within this labor market and that implementation of its offer would restore internal equity among all jobs, represented and non-represented, within the City. As support for its arguments, the City compares the wages it pays its employees with those paid employees performing similar work in the area and relies upon a position classification and pay plan developed by the State of Wisconsin's Department of Local Affairs and Development in 1978 and subsequently updated by Hay Management Consultants in 1987. According to the City, the Hay study shows not

only that its represented employees are paid well but that non-represented employees with similar or greater responsibilities are paid significantly less, a situation which it has been working to correct.

Stating the City's argument is basically one of comparable worth, the Union argues that "comparable worth should not be accomplished at the expense of the employees of the Department of Public Works" and cites other instances where it contends comparable worth was accomplished by upgrading pay for employees rather than holding back the pay for other employees. In addition, the Union maintains that its wage offer is comparable to the increases received by other employees performing similar work in similar communities (although its set of comparables differs from that proposed by the Employer); that the sick leave pay-out benefit it seeks is supported by the payout benefit provisions which exist among the comparables, and that the pay increase and tool allowance which it seeks for the mechanic is not unreasonable as is evidenced by the fact that the parties had tentatively agreed upon this provision at one point in time. It also argues that the City bargained in bad faith since it withdrew the tentative agreements which had been reached concerning the sick-leave payout and the pay increase and tool allowance for the mechanic when the parties went to arbitration.

Referring to internal wage comparisons, the Union seeks to compare its offer with the 4% wage increase which the City approved for its non-represented employees rather than the settlement reached between the City and its police union. The Union argues the latter comparison should be ignored since the low wage settlement was reached because a change in a shift schedule rather than a pay increase was the priority item in bargaining for that bargaining unit.

In its brief rebuttal, the City objects to the Union's references to wages and benefits stating that the "only thing in arbitration are (sic) 'wages' and not 'benefits'," and refutes the Union's position on comparable worth contending internal inequities can also be resolved by holding back some employees. It also denies the Union's contention that the City has bargained in bad faith; rejects the Union's testimony establishing a schedule change as the top priority for the police bargaining unit stating it was only the Union's testimony that this was a priority and disputes the Union's reliance upon a 4% wage settlement with non-represented employees stating that the council minutes submitted as evidence by the Union were not valid since the copy was not certified.

#### DISCUSSION:

Since the primary issue between the parties concerns wages and both parties rely upon comparables as proof of the reasonableness of their offers, the need for establishing a rational set of comparables exists. While the City cited the Hay Management study in its argument concerning comparability, it essentially relied upon New Richmond, Prescott, River Falls, Somerset, Rice Lake, Ladysmith and St. Croix County as its set of comparables. The Union, on the other hand, proposed two sets of comparables, one which it considered most comparable and the other which it states should be considered since the communities are similar in size and are located near similar urban areas. After reviewing the evidence concerning the parties' proposed comparables it is determined New Richmond, Prescott and River Falls are most similar and evidence concerning comparability relating to them will be accorded greater weight than the remaining proposed comparables which consist of St. Croix County and the cities or villages of Altoona, Baraboo, Delevan, Dodgeville, Ladysmith, Menomonie, Rice Lake, Sheboygan Falls, Somerset and Tomah.

The City, relying upon what it states are the findings in the Hay Management Study, argues its employees are paid at a rate which is competitive with the relevant labor market and that they are paid at a higher rate of pay than its non-represented employees who, in many instances, assume greater responsibilities. Accordingly, it proposes a wage rate increase which it asserts will not only maintain a competitive wage rate for its employees when compared with wages paid other employees performing similar work in other communities but it will aid in correcting the internal inequities which exist.

Since the Hay Management Study was not submitted into the record as evidence, the findings of that study were not relied upon in determining the reasonableness of the final offers as they pertain to external comparisons. Instead, the evidence submitted by both parties concerning wage rates paid employees performing similar work in similar communities and in the remaining

less similar communities was considered. This evidence indicates that the employees in this bargaining unit enjoy a wage leadership position among the comparables. When the impact of implementation of the final offers is considered relative to this factor, it is found that while the Employer's 1988 final offer would still maintain a competitive rate among the comparables, its implementation would result in a smaller increase in wages for the City's employees than was received by employees performing similar work in similar communities and the bargaining unit would no longer be in a leadership position. Implementation of the Union's offer in 1988, on the other hand, would not only approximate a similar percentage increase experienced by other similar employees but it would maintain the wage leadership position which currently exists. Two of the three most comparable communities agreed to a 4.0% or higher increase in wages and the increase among the eleven less comparable communities averaged 3.97%. In addition, among the comparables, no settlement was as low as the wage increase proposed by the Employer while eight of the fourteen settlements were at 4.0% or more while another two were at 3.9%. Further, although the evidence is less conclusive in 1989 because there are fewer communities settled for 1989, it appears the Union's offer for 1989 also more accurately approximates the settlements which have occurred in 1989. Thus, the Union's final offer is supported by the external wage comparisons.

The Union's position is also favored when it is compared with the internal settlements. This conclusion was reached even though the City argued the evidence concerning the internal settlements should be disregarded since the minutes submitted by the Union were not certified. Whether or not the minutes are certified does not determine the validity of the truth asserted within those minutes. Further, since the City did not dispute the facts asserted in the minutes or submit evidence to the contrary, it must be assumed the minutes accurately reflect the settlements which did occur. Consequently, while it appears the City's argument that non-represented employees with similar or greater responsibilities are paid less than some bargaining unit employees and that an argument regarding the need for increasing their rates of pay may be valid, the fact that no internal settlement is as low as the City's offer to this bargaining unit cannot be ignored.

The City maintains it awarded its non-represented employees a 4.0% increase in wages in order to continue working toward eliminating the internal pay inequities which were identified by the Hay Study. While this argument would be persuasive if it could be concluded that the bargaining unit employees are paid far more than employees among the comparables or that the Employer's offer is not substantially different from the wage increases received among the comparables or that the non-represented employees were the only ones to receive no more than the 2.5% the City is offering these bargaining unit employees, that is not the fact. Not only does the evidence establish that this bargaining unit is paid similarly to other employees performing similar work in the area and that the Employer's offer is less than settlements within the area but that the City's settlement with the patrolmen's unit is also higher than the final offer extended in this dispute. The settlement with the patrolmen's unit not only included a 2.5% increase in wages but a \$50 increase in the uniform allowance, a change in the vacation schedule, a change in the shift schedule and a lump sum payout or payment toward health insurance premiums upon retirement for 75 days of accumulated sick leave. Even if there weren't some trade-off in wages for the change in the shift schedule as asserted by the Union, the \$50 increase in the uniform allowance adjusts the monetary impact of the settlement to a percentage higher than 2.5%, thus, it must be concluded that the City's offer to the Department of Public Works employees is less than it has offered its other employees and is, thus, less persuasive.

Finally, it is concluded the Union's offer also more closely approximates the raise in the cost of living which has occurred. Not only do the settlements among the comparables, both most comparable and less comparable, reflect an approximate 4% increase in wage rates, a measurement which is used at times to reflect the cost of living within a specific area, but the Consumer Price Index increase during that period of time was also 4.0%. Both the Urban Wage Earners and Clerical Workers and the All Urban Consumers Index for Small Metro Areas increased by 4.0% during the year preceding this bargaining period.

In summary, then, it is concluded that the Union's offer is better supported by the comparison of wage rates and settlements among the comparables, and that it is also reasonable when compared with the internal settlements and with the cost-of-living increase. Since the Union's offer also

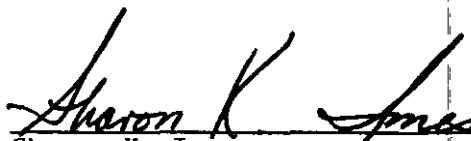
includes other issues, the impact of those issues was also considered in determining which offer should be implemented. Among the other benefits sought by the Union are a sick leave payout proposal which is similar to the one which was agreed upon by the City with its patrolmen's unit, a fifty cents per hour increase in wages, a tool allowance and a uniform allowance for the mechanic and a holiday proposal which provides that time off for the half-day holidays on Good Friday, New Years Eve and Christmas eve be considered time worked for pay purposes when those holidays fall in a week when an employee is on vacation. After reviewing these proposals, it is determined that none of them is so significant as to outweigh the reasonable of the Union's offer pertinent to the wage increase for the bargaining unit.

In conclusion, based upon the above findings, the record as a whole and consideration of the statutory criteria which is set forth in 111.70 Wis. Stats., the undersigned issues the following

AWARD

The final offer of the Union, attached as Appendix "A", together with the stipulations of the parties which reflect prior agreements in bargaining, as well as those provisions of the predecessor agreement which remained unchanged during the course of bargaining, shall be incorporated into the 1988-90 collective bargaining agreement as required by statute.

Dated this <sup>2nd (mb)</sup> ~~11th~~ day of May, 1989 at La Crosse, Wisconsin.

  
\_\_\_\_\_  
Sharon K. Imes  
Arbitrator

SKI:ms

WISCONSIN STATE BOARD OF ARBITRATION  
1220 WEST WISCONSIN STREET  
MILWAUKEE, WISCONSIN 53233

Name of Case: 18 No 39924 Int/Act 4724

The following, or the attachment hereto, constitutes our final offer for the purposes of arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me. Further, we ~~do~~ (do not) authorize inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted to the Commission.

9/2/88  
(Date)

Jerome Hansen BA.  
(Representative)

On Behalf of: General Teamsters Union #662  
Evan Dair, Vice

GENERAL TEAMSTERS UNION  
Local 662  
FINAL POSITION  
CITY OF HUDSON  
D.P.W. AND WASTE WATER DEPARTMENTS

1. Except as herewith in this Final Offer, the terms of the January 1, 1986, through December 31, 1987, contract shall become the terms of the successor agreement.

ARTICLE 13, HOLIDAYS

Time off for half (1/2) day holidays, Good Friday, New Years Eve, and Christmas Eve, shall be considered time worked for pay purposes when said holidays fall in a week when employee is on vacation.

ARTICLE 15, UNIFORMS

Sewage plant employees will be provided with five (5) changes of uniforms per week.

ARTICLE 27, DURATION

Two (2) year Agreement.

WAGES AND CLASSIFICATIONS

A Side Letter to the Agreement providing an additional fifty (50¢) cents per hour for the Mechanic.

A Side Letter to the Agreement providing twenty (\$20) dollars per month the first year and twenty-five (\$25) dollars per month the second year as Tool Allowance for the Mechanic.

ARTICLE 16, SICK LEAVE

Upon death or retirement, unused Sick Leave benefits (maximum 75 days) shall be kept in trust for the purpose of paying for the health insurance premium of the retired employee and/or spouse of the retired employee, or deceased employee's spouse.

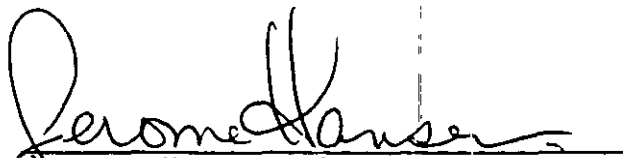
WAGES

January 1, 1988

4 percent

January 1, 1989

4 percent

  
\_\_\_\_\_  
The signature is written in cursive and appears to read 'Jerome Hansen'.

WISCONSIN

SEP 15 1988

WISCONSIN DEPARTMENT OF  
RELATIONS SERVICES

Name of Case: 18 No. 39924 INT/ARB-4724

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9/7/88  
(Date)

*Raymond J. Weber*  
(Representative)

On Behalf of: The City of Hudson

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UNCLASIFIED

SEP 15 1988

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

# Employers Association, Inc.

Merged April 1, 1985:  
Employers Association of Greater Minneapolis  
Saint Paul Employers Association

April 26, 1988

A. Bertram Locke, President  
and General Manager

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Senior Vice President  
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SICO INCORPORATED

Martha Askins  
Wisconsin Employment Relations Commission  
Suite 200  
14 West Mifflin  
Madison, Wisconsin 53703

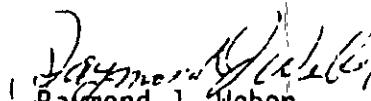
Re: City of Hudson Department of Public Works  
-vs- Teamster Local 662

Dear Sir:

In as much as the results of the negotiations held on April 14, 1988 was rejected by the members of Teamster Local 662, please consider the following as the City's final proposal.

1. Two year contract effective January 1, 1988.
2. Wages - 2.5% added to each classification effective January 1, 1988; also, add 3% to all classifications effective January 1, 1989.
3. There have been no agreed upon items.

Sincerely,

  
Raymond J. Weber  
Consultant  
Employers Association, Inc.

RJW:1js

cc: Henry Paulson, Public Workers Director

*Our 51st Year*

Serving Management Since 1936

9400 Golden Valley Road, Minneapolis, Minnesota 55427 Phone 612 546 9100