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MAR 29 1995

In the Matter of Final and :
Binding Final Offer Arbitration :
Between :
WAUNAKEE SCHOOL CUSTODIANS UNION :
LOCAL 60, WCCME, AFSCME, AFL-CIO : **AWARD**
and :
WAUNAKEE COMMUNITY SCHOOL DISTRICT : Decision No. 29132-A
WERC Case 13, No. 49930 INT/ARB-7035 :

I.

NATURE OF PROCEEDINGS. This is a proceeding in final and binding final offer arbitration between the Waunakee School Custodians Union, Local 60, WCCME, AFL-CIO and the Waunakee Community School District in an initial contract between the parties. The Union filed a petition with the Wisconsin Employment Relations Commission on October 11, 1993, alleging that an impasse existed between it and the District in collective bargaining. The Commission investigated through Dennis P. McGilligan, staff member, who advised that the parties were still at an impasse on July 15, 1994. The Commission thereafter on July 29, 1994, found that the parties had not established mutually agreed upon procedures for final resolution of disputes in collective bargaining, concluded that the parties had substantially complied with the procedures set forth in Section 111.70 of the Municipal Employment Relations Act required prior to initiating arbitration and that an impasse existed. The Commission certified that conditions precedent to initiation of arbitration as required by Section 111.70 (4) (cm)6 of the Act had been met, and ordered final and binding arbitration. The parties, having selected Frank P. Zeidler, Milwaukee, as arbitrator, the Commission appointed him on August 17, 1994. A hearing was held at the offices of the Waunakee Community School District, Waunakee, Wisconsin on December 15, 1994. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs were supplied. The last information forthcoming of a reply brief was received by the arbitrator on March 17, 1995.

II. APPEARANCES.

LAURENCE S. RODENSTEIN, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO, appeared for the Union.

AXLEY BRYNELSON by MICHAEL J. WESTCOTT, Attorney, appeared for the District.

III. THE OFFERS.

Final Offer
of
Local 60, WCCME, AFSCME, AFL-CIO
to
Waunakee Community School District

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

July 14, 1994.

1. Draft Agreement as stipulated to by the parties on June 6, 1994;
2. The Agreement shall continue in full force and effect commencing July 1, 1993 - June 30, 1995;
3. Create Salary Schedule at Section 19.0 effective July 1, 1993:

A.

<u>Classification</u>	<u>Probation</u>	<u>3 Months</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>	<u>5 Years</u>
Custodian	\$8.25	\$8.50	\$8.75	\$9.00	\$9.50	\$9.75	\$10.25
Head Custodian	9.25	9.50	9.75	10.00	10.50	10.75	11.25
Maintenance	9.50	9.75	10.00	10.25	10.75	11.00	11.50

Employees transferring from one classification to another shall be credited for all continuous years of service.

B. Longevity: Employees shall receive, in addition to their salary as shown above, longevity payments as follows:

- a. An additional 3% of salary starting with the 72nd month of continuous employment;
- b. An additional 3% (total 6%) starting with the 108th month of continuous employment;
- c. An additional 3% (total 9%) starting with the 144th month of continuous employment.

4. Effective July 1, 1994 increase each rate in the salary schedule by four percent (4%).
5. Employer's offer of Section 20.4 Successor.
6. Employer's offer of Section 20.6 Length of Agreement

WAUNAKEE COMMUNITY SCHOOL DISTRICT

FINAL OFFER

In the Matter of a Petition
for Municipal Arbitration

Between

Waunakee Community School District

Case 13 No. 49930
INT/ARB-7035

And

Dane County, Wisconsin Municipal
Employees Local 60, AFSCME, AFL-CIO

Waunakee Community School District makes the following Final Offer on all issues in dispute for a collective bargaining agreement to begin July 1, 1993, and remain in full force and effect through June 30, 1995.

A. Language Proposals

1. Section 20.1 Entire Agreement.

This Agreement, reached as a result of collective bargaining, represents the full and complete Agreement between the parties and supersedes all previous agreements and practices between the parties, whether written or oral, unless expressly stated to the contrary herein, and constitutes the complete and entire agreement between the parties, and concludes collective bargaining for its term.

2. Section 20.4 Successor.

On or before March 1st of the year during which the Agreement expires, the Union shall present its proposal for a successor Agreement to the District. No later than thirty (30) days from the date of the above-mentioned meeting, the District shall present its initial proposal to the Union. The parties will then convene in open session to review both proposals.

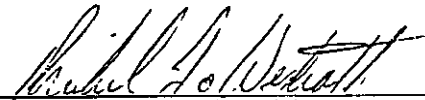


B. Economic Proposal

See Exhibit A attached hereto.

Dated this 6th day of June, 1994.

WAUNAKEE COMMUNITY SCHOOL DISTRICT

By 
Michael J. Westcott
Attorney for Waunakee Community
School District



SALARY SCHEDULES

	<u>1993-94</u>	<u>1994-95</u>
<u>Custodians</u>		
Base	8.05	8.15
After 12 mos.	8.30	8.40
After 24 mos.	8.55	8.65
After 36 mos.	8.80	8.90
After 48 mos.	9.05	9.15
After 60 mos.	9.30	9.60
After 72 mos.	9.55	9.95
After 120 mos.	9.90	10.30
After 168 mos.	10.25	10.65
 <u>Head Custodian</u>		
Base	9.00	9.15
After 12 mos.	9.30	9.50
After 24 mos.	9.60	9.85
After 36 mos.	9.90	10.20
After 48 mos.	10.20	10.55
After 60 mos.	10.50	10.90
After 72 mos.	10.80	11.25
After 120 mos.	11.40	11.85
After 168 mos.	12.00	12.45
 <u>Maintenance</u>		
Base	9.50	9.60
After 12 mos.	9.85	10.00
After 24 mos.	10.20	10.40
After 36 mos.	10.55	10.80
After 48 mos.	10.90	11.20
After 60 mos.	11.25	11.60
After 72 mos.	11.60	12.00
After 120 mos.	12.10	12.60
After 168 mos.	12.60	13.20

EXHIBIT A



IV. FACTORS TO BE CONSIDERED BY THE ARBITRATOR.

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

"a. The lawful authority of the municipal employer.

"b. Stipulation of the parties.

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

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

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

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

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

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

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

"j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

V. COSTS OF THE OFFERS. The District in its brief furnished these tables as to the cost of the offers for 1993-94 and 1994-95. (The tables numbering begin the numbering series in this Award.)

TABLE 1 *

Year 1	<u>Item</u>	<u>92-93</u> <u>Costs</u>	<u>93-94</u> <u>District</u>	<u>%</u> <u>Incr.</u>	<u>93-94</u> <u>Union</u>	<u>%</u> <u>Incr.</u>
	Salary	335,123	348,519	4.00%	369,788	10.30%
	Benefits	109,965	116,053	5.50%	120,376	9.46%
	Totals	445,088	464,572	4.38%	490,164	10.13%
Year 2	<u>Item</u>	<u>93-94</u> <u>Costs</u>	<u>94-95</u> <u>District</u>	<u>%</u> <u>Incr.</u>		
District Offer	Salary	348,519	353,157	1.33%		
	Benefits	116,053	132,712	1.44%		
	Totals	464,572	485,869	4.58%		
Year 2	<u>Item</u>	<u>93-94</u> <u>Costs</u>	<u>94-95</u> <u>Union</u>	<u>%</u> <u>Incr.</u>		
Union Offer	Salary	369,788	379,698	2.67%		
	Benefits	120,376	138,130	14.74%		
	Totals	490,164	517,828	5.64%		

* This table assumes there was no change in hours or employee turnover from the 92-93 base.

TABLE 2 *

Year 1	<u>Item</u>	<u>92-93</u> <u>Costs</u>	<u>93-94</u> <u>District</u>	<u>%</u> <u>Incr.</u>	<u>93-94</u> <u>Union</u>	<u>%</u> <u>Incr.</u>
	Salary	335,123	348,519	4.00%	369,788	10.30%
	Benefits	109,965	116,053	5.50%	120,376	9.46%
	Totals	445,088	464,572	4.38%	490,164	10.13%
Year 2	<u>Item</u>	<u>93-94</u> <u>Costs</u>	<u>94-95</u> <u>District</u>	<u>%</u> <u>Incr.</u>		
District Offer	Salary	336,538	353,157	4.93%		
	Benefits	119,296	132,712	11.24%		
	Totals	455,834	485,869	6.59%		
Year 2	<u>Item</u>	<u>93-94</u> <u>Costs</u>	<u>94-95</u> <u>Union</u>	<u>%</u> <u>Incr.</u>		
Union Offer	Salary	355,492	379,698	6.80%		
	Benefits	123,148	138,130	12.16%		
	Totals	478,640	517,828	8.19%		

* This table reflects the actual cost of the two proposals based upon fluctuations in work hours and individuals in the work force.

Subsequently in District Exhibits 14 and 15, furnished at the request of the arbitrator, this information appeared:

Table III

PACKAGE COSTS OF OFFERS

<u>1993-94</u>	<u>1992-93</u> <u>(17.36 FTE)</u>	<u>District</u>	<u>Union</u>
\$ Cost	445,088	464,572	490,164
\$ Inc.		19,484	45,076
% Inc.		4.38	10.13
<u>1994-95</u>	<u>1993-94</u> <u>(16.86 FTE)</u>		
<u>District</u>			
\$ Cost	455,834	485,869	
\$ Inc.		30,035	
% Inc.		6.59	
<u>Union</u>			
\$ Cost	478,640		517,828
\$ Inc.			39,188
% Inc.			8.19

VI. COMPARISON DISTRICTS. The Union listed what it termed a Waunakee Comparison Pool . The districts were DeForest, Fort Atkinson, Lodi, Madison Metropolitan, McFarland, Middleton-Cross Plains, Monona Grove, Monroe, Oregon, Sauk Prairie, Stoughton, Sun Prairie, and Verona. In this pool the Union selected Fort Atkinson, Middleton, Monona Grove, Monroe, Oregon, Stoughton and Waunakee as constituting the Union's primary comparables. The secondary comparables were Lodi, Madison, McFarland, Sun Prairie and Verona.

The District listed Stoughton, Monona Grove, Middleton, Fort Atkinson, Oregon, Lodi, Sauk Prairie, Verona and DeForest as comparables. Of this list, Sauk Prairie and DeForest do not have unionized custodians. These districts are in the Badger Athletic Conference and the District states that this conference is the appropriate comparable group. The Union is objecting to the inclusion of Sauk Prairie and DeForest as not being organized. The Union cites arbitral opinion in which unorganized districts were not included as comparables. This arbitrator also holds that unorganized districts generally should not be included in comparables.

However matters of comparability as to size and geographical location also need to be considered. A listing of primary comparables used by the parties without DeForest and Sauk Prairie show that Middleton, Stoughton, Monona Grove,

Oregon, Fort Atkinson, Monroe and Waunakee are considered by both parties as comparable districts. The District considers Lodi and Verona as comparable in addition to the other districts. The following table is useful for considering comparable characteristics:

Table IV

SELECTED INFORMATION ON SOME DISTRICTS CONSIDERED
COMPARABLE BY THE PARTIES

<u>District</u>	<u>FTE</u> <u>1993-94</u>	<u>Equalized</u> <u>Val. (000)</u>	<u>Val./</u> <u>Member (000)</u>	<u>Tax Rate</u> <u>1993-94</u>
Fort Atkinson	2,499	448,525	179	18.64
Lodi	1,262	239,888	190	17.69
Middleton	4,268	1,176,944	276	18.46
Monona Grove	1,997	531,730	266	20.65
McFarland	1,857	296,470	159	18.15
Monroe	2,571	458,222	178	17.60
Oregon	2,728	446,390	162	20.61
Stoughton	3,050	536,091	175	16.96
Verona	3,155	549,042	188	18.58
Waunakee	1,979	486,681	213	19.12

(UX 3B, 3C)

In viewing the foregoing list, one must give some consideration to geographic proximity or the economic area from which a pool of employees is likely to be drawn. The arbitrator is of the opinion that Fort Atkinson and Monroe, because of distance from the Waunakee area, have a secondary value only for comparisons. Thus the list of districts that appear as primary comparables are in Dane County: Lodi, Middleton, Monona Grove, McFarland, Oregon, Stoughton, Verona, and Waunakee. The Badger Athletic Conference because of disparity in size of districts such as the Madison Metropolitan School District does not constitute a list of primary comparables when taken as a whole.

The Dane County districts used by the parties in common have some considerable disparities in size as between Middleton and Lodi; however these differences will tend to balance each other.

VII. LAWFUL AUTHORITY OF THE UNIT OF GOVERNMENT. There is no question as to the lawful authority of the unit of government to meet the costs of either offer.

VIII. STIPULATIONS. The parties have stipulated to all other matters between them.

IX. WAGE COMPARISONS. In the matter of wage comparisons, there are dissimilar structures being proposed by the parties, and dissimilar structures among the comparables, particularly as to the number of increments and when changes occur in increments. Table V shows generally differences between the parties' offers here.

Table V

COMPARISON OF SALARY SCHEDULES OF PARTIES

<u>Custodians</u>	<u>1993-94</u>		<u>1994-95</u>	
	<u>Union</u>	<u>District</u>	<u>Union</u>	<u>District</u>
Base	8.25	8.05	8.58	8.15
After 12 mos.	8.75*	8.30	9.10*	8.40
After 24 mos.	9.00	8.55	9.36	8.65
After 36 mos.	9.50	8.80	9.88	8.90
After 48 mos.	9.75	9.05	10.14	9.15
After 60 mos.	10.25	9.30	10.66	9.60
After 72 mos.	10.55	9.55	10.97	9.95
After 120 mos.	10.87**	9.90	11.30**	10.30
After 168 mos.	11.20***	10.25	11.65***	10.65
 <u>Head Custodian</u>				
Base	9.25	9.00	9.62	9.15
After 12 mos.	9.75*	9.30	10.14*	9.50
After 24 mos.	10.00	9.60	10.40	9.85
After 36 mos.	10.50	9.90	10.92	10.20
After 48 mos.	10.75	10.20	11.18	10.55
After 60 mos.	11.25	10.50	11.70	10.90
After 72 mos.	11.59	10.80	12.05	11.25
After 120 mos.	11.93**	11.40	12.11**	11.85
After 168 mos.	12.29***	12.00	12.78***	12.45
 <u>Maintenance</u>				
Base	9.50	9.50	9.88	9.60
After 12 mos.	10.00*	9.85	10.40*	10.00
After 24 mos.	10.25	10.20	10.66	10.40
After 36 mos.	10.75	10.55	11.18	10.80
After 48 mos.	11.00	10.90	11.44	11.20
After 60 mos.	11.50	11.25	11.96	11.60
After 72 mos.	11.84	11.60	12.31	12.00
After 120 mos.	12.20**	12.10	12.68*	12.60
After 168 mos.	12.56***	12.60	13.06***	13.20

* - increment at 3 months not shown

** - after 108 months

*** - after 144 months

The following Tables VI, VII, VIII and IX are derived from Union Exhibits under Tab 5:

Table VI

CUSTODIAN COMPARISONS

	<u>1993-94</u>				<u>1994-95</u>			
	<u>1 Yr.</u>	<u>5 Yrs.</u>	<u>Top @</u>	<u>Year</u>	<u>1 Yr.</u>	<u>5 Yrs.</u>	<u>Top @</u>	<u>Year</u>
Lodi	8.42	9.02	10.62	21st				
McFarland	7.88	9.42	11.90	16th	8.03	9.57	12.05	16th
Middleton	10.48	11.46	12.49	13th				
Monona Grove	11.80	14.79	16.17	18th				
Oregon	9.08	10.60	10.60	6th	9.43	10.82	11.00	6th
Stoughton	11.06	11.75	11.85	16th	11.26	11.95	12.05	16th
Verona	7.75	9.00	10.25	18th	7.80	8.80	10.30	18th
Waunakee Un.	8.44	10.25	11.17	13th	8.78	10.66	11.62	13th
Dist.	8.05	9.30	10.25	15th	8.15	9.40	10.45	15th
Rank Un.	5	5	5		3	3	3	
Dist.	6	6	7		3	4	4	

Table VII

HEAD CUSTODIAN COMPARISONS

	<u>1993-94</u>				<u>1994-95</u>			
	<u>1 Yr.</u>	<u>5 Yrs.</u>	<u>Top @</u>	<u>Year</u>	<u>1 Yr.</u>	<u>5 Yrs.</u>	<u>Top @</u>	<u>Year</u>
Lodi								
McFarland	9.06	10.87	13.49	16th	9.21	11.56	13.64	16th
Middleton	11.01	12.07	13.15	13th				
Monona Grove	11.28	14.47	15.83	18th				
Oregon								
Stoughton								
Verona	8.80	9.80	11.25	12th	8.85	9.85	11.30	12th
Waunakee Un.	9.44	10.75	12.26	13th	9.82	11.70	12.75	13th
Dist.	9.00	10.20	12.00	15th	9.15	10.55	12.45	15th
Rank Un.	3	4	4		1	1	2	
Dist.	4	4	4		2	2	2	

Table VIII

MAINTENANCE POSITION COMPARISONS

	<u>1993-94</u>				<u>1994-95</u>			
	<u>1 Yr.</u>	<u>5 Yrs.</u>	<u>Top @</u>	<u>Year</u>	<u>1 Yr.</u>	<u>5 Yrs.</u>	<u>Top @</u>	<u>Year</u>
Lodi	8.92	9.52	11.12	21st				
McFarland								
Middleton	11.37	12.48	13.60	13th				
Monona Grove	11.80	15.01	16.17	18th				
Oregon								
Stoughton	11.55	12.25	12.34	16th	11.75	12.44	12.54	16th
Verona	8.80	9.80	11.35	23rd	8.85	10.10	11.40	23rd
Waunakee Un.	9.69	11.00	12.54	13th	10.00	11.44	13.04	13th
Dist.	9.60	10.90	12.60	15th	9.60	11.60	13.20	15th
Rank Un.	4	4	3		2	2	1	
Dist.	4	4	3		2	2	1	

Table IX

CAREER EARNINGS (000)

	<u>Custodian</u>		<u>Head Custodian</u>		<u>Maintenance</u>	
	<u>1993-94</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1994-95</u>
Lodi	521		521		547	
McFarland	570	578	650	657		
Middleton	626		659		682	
Monona Grove	716		782		800	
Oregon	542	562	542	562		
Stoughton	611	658	611	622	637	647
Verona	503	506	558	561	558	561
Waunakee Un.	552	574	606	631	620	645
Dist.	504	513	581	602	615	639
Rank Un.	5	3	5	2	4	2
Dist.	7	4	5	3	4	2

(UX 5A-C)

The following benchmark data is derived from District Exhibits Series 7 and 8:

Table X

BENCHMARK MAXIMUM RANK OF WAUNAKEE AMONG 8
PRIMARY COMPARABLES, MC FARLAND EXCLUDED

	<u>1992-93</u>	<u>1994-95</u>	
	<u>(7 Districts)</u>	<u>(5 Districts)</u>	
		<u>District</u>	<u>Union</u>
Custodian			
Min.	6	4	3
Max.	4	4	4
Head Custodian			
Min.	4	3	2
Max.	4	1	2
Maintenance			
Min.	4	2	2
Max.	4	1	2

The following table is derived from District Exhibits 1-5:

Table XI

RANK OF CLASSIFICATIONS IN WAUNAKEE IN BASE
RATE AND TOTAL COMPENSATION AMONG PRIMARY COMPARABLES

<u>Classification</u>	1992-93 (7 Districts)									
	<u>Start</u>		<u>5 Yrs.</u>		<u>10 Yrs.</u>		<u>15 Yrs.</u>		<u>20 Yrs.</u>	
	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>
Custodian	6	6	6	6	4	4	4	4	5	5
Head Custodian	5	5	6	6	5	5	5	5	5	5
Maintenance	5	5	6	6	5	5	5	5	5	5

<u>District Proposal</u>	1994-95 (5 Districts)									
	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>	<u>Base</u>	<u>Total</u>
Custodian	5	5	4	4	4	4	3	3	3	3
Head Custodian	3	3	3	3	2	2	1	1	1	1
Maintenance	2	2	2	2	2	2	1	1	1	1

It should be noted, however, that the District in giving a dollar figure to total compensation did not give a dollar value to health, dental and other insurance benefits, if any, in the comparable districts. Information on insurance costs to the District is found in District Exhibits 14 and 15. In 1992-93 total insurance costs to the District including health, dental and disability insurance came to \$43,443. Under the District offer in 1993-94 this would come to \$46,413, a rise of 6.8%. Taking costs of 1993-94 into consideration, which costs were \$52,046, the District cost for 1994-95 would be \$61,823, or a rise of 18.8%.

Union Position on Base Wages Summarized. It should be noted that the Union has seven primary comparables. These are Fort Atkinson, Middleton, Monona Grove, Monroe, Oregon, Stoughton, and Waunakee. It should be further noted that the arbitrator is considering Fort Atkinson and Monroe as of secondary importance because of distance from the Waunakee labor market. Nevertheless the position of the Union with respect to its comparables should be recited.

The Union contends that Waunakee with a maximum rate of \$10.27 was fifth among the comparables for maximum wage for Custodian in 1992-93. Among the Union comparables of years to maximum Waunakee was second earliest where years to maximum range from 4.5 years to 35 years. In 1993-94 the Waunakee District offer of \$10.25 maximum drops the Custodian maximum to 6th rank while the Union offer keeps 5th rank with \$11.17. The Waunakee District is actually reducing the 1992-93 maximum by \$0.02. Additionally the District offer extends the time to the maximum by 4 years, so the offer for 1993-94 is down to 85% of the mean, a drop from 88%.

The Union argues that for 1993-94, when the Union secondary comparables⁽¹⁾ are considered, the District's offer places Waunakee at the lowest level in 1993-94 and the second lowest level in 1994-95. Under the Union final offer Waunakee would advance to a position third among six comparables.

The Union also contends that the District is unreasonable in treating Custodians in an inequitable, inferior and disparate manner compared to Head Custodian and Maintenance personnel.

The Union notes that in the case of Head Custodian, the offers of both parties advance the position of Head Custodian, which signifies that the parties recognize the necessity for improving the ranking of the position. However the Union offer results in a wage 90% of the mean, while the District offer is 88% of the mean.

In the case of maximum rates for Maintenance, the District offer at \$12.60 is higher than the Union offer by six cents. However both offers result in Waunakee being only 5th in rank among seven. The District has recognized the need for catching up in two smaller classifications, but is failing a main classification. Treating employees in similar classifications produces a coercive comparison. The District is thus giving the Custodians at the maximum an improvement of 3.7% from 1992-93 to 1994-95, but a change of 12.5% for the Head Custodian and 18.7% for the Maintenance worker.

The Union contends that the District offer is unreasonable when lifetime earnings are considered. Salary schedules are not uniform since it takes some employees longer to reach the maximums than others, but lifetime earnings comparisons provide a common weighing system for comparison evaluation. The lifetime earnings method of measurement shows that neither offer in Waunakee brings the Custodial classification up to the point that Waunakee's relative Custodial wage level is proportionate to its relative economic position. The Board offer would amount to \$504,608 and the Union offer to \$551,611. When the average of Fort Atkinson, Middleton, Monona Grove, Monroe, Oregon, Stoughton and Waunakee, the primary comparables of the Union are taken, the District offer is only 86-88% of the lifetime earnings mean, whereas the Union offer amounts to 95-96% of the mean. If Fort Atkinson and Monroe are excluded, the District offer amounts to only 80.95% of the mean.

In the case of the secondary comparables, the Board offer represents only 88% of the mean of the comparables, and is dead last with Verona. A need for a catch up exists and, given the political climate, this arbitration may offer the last best opportunity to approach the goal. Waunakee should not be permitted to institutionalize an inferior wage schedule for underpaid Custodians.

The Union contends that a compelling case can be made for a catch up. The wage levels of the Waunakee Custodians were extremely low. The average year-end wage of 13 Waunakee Custodians in 1992-93 was only \$8.77, and this figure is higher than the average annual rate because only year-end rates are

(1) Madison, McFarland, Sun Prairie, Lodi, Verona

are used in calculation. The average minimum wage for primary comparables, based on District figures, was \$9.25. An increase of \$0.48 or 5.5% would have to be made to bring the Waunakee Custodians up to average. The average minimum wage among primaries was \$9.54 or \$0.56 higher than the Waunakee rate. The District's offer however would create only a year-end hourly wage rate for 1993-94 of \$8.98, \$0.56 less than the 1993-94 rate for the secondary comparables at the minimum. Thus the District is in effect penalizing the Union for organizing, because the wage rates would fall behind the average. The Union offer however would raise the average custodial rate to \$10.18 or a modest \$0.44 or 4.3% above the average minimum in the primary comparables.

The Union is contending that the cost of employees moving through the salary steps should not be factored into the determining of the cost of a wage offer. Twelve of nineteen incumbents in positions are moving through the proposed salary schedule and four will receive increment raises due to longevity. 4% of the total cost in the offer can be explained by incremental movement. Arbitrators generally do not cost such incremental movement in wage matters.

The Union in Table 14 in its Brief produces a result of 7.33% average structural cost for twelve Custodians. In blue collar positions, arbitral opinion holds that the top rate is considered the normal rate, and increment steps toward it are not factored in.

The Union says that the District argument that the Union offer is not supported when viewed in terms of total compensation fails on three grounds. The District did not provide comparable data among other units, the cost of the 1993-94 settlement significantly overstates the net adjustment when increments are deleted, and the cost of structural changes in Waunakee comes from the Union effort to bring the structure in alignment with others.

The Union argues that benchmark rates are the most appropriate when evaluating competing offers and cites arbitral opinion to support this statement. However lifetime earnings provide an important perspective beyond benchmark analysis, and provides a longitudinal basis instead of a snapshot basis. Lifetime earnings juxtaposed with the District's economic capacity provide a fairer and more precise evaluation.

In this matter of a first contract, there is a unique opportunity to establish reasonable wage relationships based on equity considerations, and first contracts often provide increases in excess of increases provided in successor agreements. The Union notes that the District is providing catch-up for Head Custodians and Maintenance Workers, but not for the majority class, the Custodians.

District's Position Summarized. The District, using its eleven comparables, notes that its offer supports the District's offer as the more reasonable one. Considering over-all compensation as listed in its exhibits, the District says that the District has always been in the middle range of ranks within the eleven comparables, but between 1992-93 and 1994-95 the rank of Waunakee Custodians improves except at the ten-year benchmark, and the rank of Head Custodian and Maintenance Workers also improve and are at the high end of the range.

The District notes that from its Exhibits Series 7 and Series 8, the Custodian minimum rate of the District offer improves, although the maximum rate drops from 5th rank to 7th, both in the Union and District offers. However, the positions of Head Custodian and Maintenance Worker improve both at the minimum rate in the two-year period and also at the maximum rate. At the maximum rate the District offer for Head Custodian and for Maintenance Worker is superior to that of the Union offer.

The District is objecting to the proposed longevity cap at 9% which the District says is unreasonably high and higher than all but one of the District's proposed comparables and all but three of the Union's proposed comparables. Longevity in the other districts ranges from a maximum of 2.5% increase to 4.9%. This will make the Union offer considerably more expensive to the District in the long run.

The District disputes the Union argument that a catch-up is needed. The District says that this argument is made to support the fact that the Union is seeking an 18.12% package increase which is not reasonable. The Union has not demonstrated a need for catch-up. The District has always been within the range of 8th in rank and 5th in rank among the comparables. Arbitrators seek to preserve the existing hierarchy of compensation paid by comparable employers. To justify a request for a wage increase, major pay inequities must be demonstrated. There must be a quid-pro-quo. There has been no problem in Waunakee of retention of workers under the present ranking. The District cites arbitral opinion ruling against catch-up or a change in ranking. The need for catch-up requires a showing that wage rates are behind those paid by comparable employers, and the proposal must be reasonably related to the need for catching up. Arbitration exists to maintain pre-existing relative rankings in compensation, and to implement changes the parties could not reach in bargaining.

Discussion. As noted earlier, the arbitrator has produced a set of districts which in his opinion are primary comparables, since they are similar in size and represent a geographical area from which the pool of employees in Waunakee are likely to be drawn. Two school districts in the Geographical area that are unorganized are not in the pool. There are eight districts in this primary group. From Table VI foregoing, as far as Custodians are concerned under the District offer, they are in sixth rank and toward the low end of the scale, although by 1994-95 the District offer brings the Custodians up to 4th in rank. For the Custodian position, there is an indication of need for some catch-up.

However under Tables VII and VIII, no such need appears for Head Custodian or Maintenance Worker.

Table IX on career earnings again shows some need for catching up for Custodians, but no such need for Head Custodian or Maintenance Workers. Table X also leads to the same conclusion.

The question then arises as to whether there is a sufficient need for catch-up to justify the Union offer as compared to the District offer, apart from the longevity issue. Table I foregoing indicates that the percentage increase of the District offer if the cohort of employees from 1992-93 is moved forward through the two years would be 8.96% for the District offer and

15.77% for the Union offer. Under Tables II and III the District actual cost for the two years would be 10.97% and the Union offer would cost 18.32%. The arbitrator is of the opinion that the need for a full catch-up is not so urgent as to warrant a 15.77% package increase, and that any needed further catch-up would be better achieved in successive agreements. Hence on the matter of the wage offers, the District offer of an 8.96% increase here is considered the more comparable and reasonable one.

X. COMPARISON WITH OTHER PUBLIC EMPLOYEES. Union Exhibit 2M showed settlements within the Village of Waunakee for 1994-96. Rates for Crew Leader, Laborer and Police Secretary went up \$5 from 1994 to 1995 and 4% from 1995 to 1996. In District Exhibits 14 and 15, the following information on wage percentage changes was shown:

Table XII

TOTAL WAGE COSTS OF PARTIES' OFFERS AND PERCENTAGE CHANGE 1993-95

1993-94	Benchmark (17.36 FTE)	District	% Inc.	Union	% Inc.
Salary	335,123	348,519	4.0	369,788	10.3
1994-95	Benchmark (16.86 FTE)				
Salary					
District	336,538	353,157	5.0		
Union	354,492			379,698	6.8

In terms of internal comparisons the District offer at 4.0% increase appears consistent with Village increases.

XI. COMPARISONS WITH EMPLOYMENT IN THE PRIVATE SECTOR. The parties did not address this issue directly.

XII. OVERALL COMPENSATION. Table XI foregoing shows the ranking of Waunakee in total compensation, as well as in base wages. It is to be noted that at the lower level of years of service, Waunakee is toward the lower end of seven primary districts, indicating the need for catch-up at least among Custodians, though this is not evident from longer years of service after 1994-95. However as to whether there is any great deficiency in other benefits, the arbitrator finds in an examination of Union Exhibits 4 H and 4 I, a range of benefits for Waunakee employees comparable to those in other districts with the exception of a feature of longevity. The District here offers none as such. However the District wage proposal increases wages to the 16th year, in effect a kind of built in longevity. The absence then of a specific longevity proposal is not a major obstacle to the acceptance of the District offer, if this is justified by other factors.

Total compensation amounts shown by the District lack information on insurance costs, but it appears that in Waunakee these are rising. (See discussion following Table XI foregoing.)

XIII. COST OF LIVING. District Exhibit 12 showed that the change in the index CPI-W from 1992 to 1993 was 3.7% and from 1993 to 1994 was 3.6%. From 1988 through 1992 the CPI-W increased 17.57% while the cumulative percentages of annual wage increases for Custodians went up 25.48%.

With the actual increase under the District offer of approximately 9% and the Union offer at 15.7% (Table I), the offer of the District is the more comparable to the change in the CPI-W from 1993-1995.

XIV. "ENTIRE AGREEMENT" CLAUSE. In its offer the District proposes a Section 20.1 "Entire Agreement." The language is repeated here:

"This Agreement, reached as a result of collective bargaining, represents the full and complete Agreement between the parties and supersedes all previous agreements, and practices between the parties, whether written or oral, unless expressly stated to the contrary herein, and constitutes the complete and entire agreement between the parties, and concludes collective bargaining for its term."

The Union objects to this provision, calling it a zipper clause which is not supported by use among the comparables. The Union says that this clause, if adopted, would unfairly restrict workers since any past practices which were present when there was no Union would be discontinued. The Union holds that past practice provided parties with agreed upon courses of conduct in addressing detailed procedures in the work process. The mutual selection of a particular process sets up a reasonable expectation of the way to do things. If this clause is adopted, the District would have one last chance to operate unilaterally. The Union holds that the District is not prejudiced by the Union refusal to agree to this clause. If the District had wanted to get rid of some binding practice it could have done this in negotiations.

The District holds that this clause is not a "zipper clause" whereby the Union is asked to waive its right to bargain over mandatory subjects of bargaining during the term of the contract. The clause simply states that any previous agreements between the parties are superseded and that the collective bargaining agreement is the entire agreement. This does not add to or detract from either party during the proceeding. The clause is no less favorable than language that exists in agreements at Fort Atkinson, Middleton, Madison, Sun Prairie and Verona.

The Union in its Brief in Table 13 lists ten districts as not having zipper clauses, and one, Middleton, that does. The arbitrator in viewing the agreements supplied under Tab 2 is of the opinion that the clauses found in the Fort Atkinson, Madison, Sun Prairie and Verona agreements amount to zipper clauses, less explicitly stated however than the proposed clause in Waunakee. Nevertheless, among the primary comparables considered here, five do not have such a clause.

The standard of comparability may be applied here in the Union's favor. However the arbitrator also believes that the interest and welfare of the public in this first agreement between the parties should leave some room for consideration of past practices, as to whether they obtain. The opinion here is that the Union position is more in the interest of the public in not including the clause.

XV. ABILITY OF THE UNIT OF GOVERNMENT TO PAY AND THE INTERESTS AND WELFARE OF THE PUBLIC. The District here is not arguing an inability to meet the costs of the Union offer, but that the interests and welfare of the public are best met by its own offer. The Union, referring to its Exhibit 3A points to the fact that Waunakee with a per capita income in 1992 of \$36,032 per return is third highest among the seven Union comparables, being exceeded only by Middleton and Oregon. This income is 110% higher than the average of the seven districts which the Union considers as comparable. Waunakee by this same measure is third highest among six secondary comparables where the average income per return is \$34,238. When equalized value per district member is taken, Waunakee has an equalized value of \$213,174 per member, which exceeds the average equalized value per member of the seven Union primary comparables, which average amounts to \$205,326 per member. The same relationship appears when the secondary comparables are taken. Waunakee is third in rank among the Union primary comparables both in income and property value, and this shows a strong economic base. This relatively affluent economic milieu must be taken into account when considering the proper placement of Waunakee Custodial employees among the comparables. Initial contract settlements are often decisive for establishing relative placement. The Union is not suggesting however that Waunakee employees should be wage leaders though, given the economic environment of Waunakee, they might be. The Union is only proposing a modest position slightly below the median of the comparables, while the Board offer does not consider economic capacity and places two thirds of the employees in a lagging position.

The District in its Exhibit 9 shows that among the eleven comparables selected by the District, Waunakee is eighth in full value, seventh in District levy and fourth in mill rate taxation for 1993-94.

The District points to the information in Table I and Table II above, derived from its exhibits and holds that the total increase in two years for the District under the advancing cohort of 1992-93 method to be an increase of "9.16%" for the District offer and 15.77% for the Union offer. It also notes what it considers the actual cost which would include advancing employees in the steps and in this case the District offer would amount to a 10.97% raise and the Union offer an 18.32% raise.

The District argues that the interest and welfare of the public are not met by a double digit increase in compensation particularly where recruitment and retention are not an issue, and the cost of living is lower. The District also argues that the level of local property taxes is a leading issue and the public expects services to be delivered at the lowest cost. Education is important, but this importance does not warrant adopting a wage proposal out

of line with the changes of the cost of living. Other recipient's public funds are making do with 2.5% and 3% increases, and this is consistent with inflation. The District's proposal is fair and reasonable, and the Union proposal is over reaching.

Discussion. Although in the opinion of the arbitrator there is some need for a catch-up in the situation of the Custodians in Waunakee, this catch-up would best be met by taking it in several steps in collective bargaining. The extent of the lag on the part of Waunakee, when the most comparable districts are taken into consideration, is not of such a magnitude as to justify a nearly 15% increase in two years. The arbitrator, while recognizing the Union concern that the initial decision for setting a wage level might tend to fix a rank for a district among comparables which will not change in the future, does not hold that this is a principle fixed in stone, especially after some of the comparable districts which have not settled for 1994-95 settle and a clear picture can be seen as to whether the Custodians at Waunakee still lag. The interests and welfare of the public support the District offer at this time.

XVI. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS. No changes were reported to the arbitrator during the pendency of the proceedings.

XVII. SUMMARY OF CONCLUSIONS OF THE ARBITRATOR. The following is a summary of the findings and conclusions of the arbitrator:

1. A primary set of comparables for Waunakee Custodians and related workers is found in the group of districts of Lodi, Middleton, Monona Grove, McFarland, Oregon, Stoughton, Verona and Waunakee, since they are in a geographic area most likely to provide a labor pool for Waunakee, and are of similar size, with organized custodians.

2. There is no question as to the lawful authority of the District to meet the terms of either offer.

3. The parties have stipulated to all other matters between them.

4. Although there is some evidence of a need for catch-up in Waunakee for Custodians, the arbitrator is of the opinion that the need for a full catch-up is not so urgent as to warrant a 15.77% package increase over two years and that any needed further catch-up would be better achieved in successive agreements. The District offer of an 8.96% increase is the more reasonable and comparable one.

5. In terms of internal comparisons in Waunakee Village, the District offer is the more comparable one.

6. The parties did not address the matter of comparisons with private sector employees.

7. In terms of total benefits, measured without insurance costs, the District offer has the same degree of comparability as in base wage offers. However when insurance costs are considered it appears that District costs are increasing.

8. The District offer is more comparable to the change in the cost of living than the Union offer.

9. The proposal of the District to enclose an "Entire Agreement" clause in this initial contract is not in the best interest of the public in that some past practices and accommodations between parties may surface and need to be considered.

10. The unit of government has the ability to meet the costs of either offer.

11. Because of the high percentage increase of the Union offer, the interest and welfare of the public support the District offer at this time.

A review of the above findings leads to the conclusion that the preponderance of the findings support the District offer to be included in the Agreement between the parties.

XVIII. AWARD. The 1993-95 Agreement between the Waunakee School Custodians, Local 60, WCCME, AFSCME, AFL-CIO and the Waunakee Community School District should contain the final offer of the district.

Frank P. Zeidler

FRANK P. ZEIDLER
ARBITRATOR

Date March 27, 1995
Milwaukee, Wisconsin