

RECEIVED  
MAR - 6 1995

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

IN THE MATTER OF ARBITRATION ]  
BETWEEN LOCAL 332, AFSCME ]  
AFL-CIO ]  
and ]  
THE CITY OF MERRILL, WISCONSIN ]

CASE NO. 51

NO. 51017

INT / ARB 7297

Decision No. 28206-A

OPINION AND AWARD

ARBITRATOR: WILLIAM G. CALLOW

APPEARANCE:

*For the Union:*

PHIL SALAMONE, Staff Representative,  
Wisconsin Council 40  
AFSCME, AFL-CIO  
7111 Wall Street  
Schofield, Wisconsin 54476

*For the Employer*

JAMES C. KOPPELMAN, Attorney  
Post Office Box 176  
Merrill, Wisconsin 54452

When the parties to the Arbitration were unable to reach agreement on an initial collective bargaining agreement, a petition was filed with the Wisconsin Employment Relations Commission requesting the Commission (WERC) to initiate arbitration pursuant to Section 111.70 (4) (CM)6 of the Municipal Employment Relations Act (MERA). On November 29, 1994, WERC determined that an impasse existed and that arbitration should be initiated. William G. Callow was appointed Arbitrator to arbitrate the dispute involving the collective bargaining unit consisting of all full-time employees of the City of Merrill Department of Public Works, excluding managerial, supervisory, and confidential employees. The deadlock concerns wages to be included in a new collective bargaining agreement. The issuance of a final and binding arbitration award based on the final offers of the parties is the purpose of the arbitration.

By mutual agreement the parties met December 27, 1994 for an evidentiary hearing, at the City Hall, Merrill, Wisconsin. Exhibits and testimony were introduced by the parties. A mutual understanding concerning a briefing schedule was reached. The final briefing communication was received by the Arbitrator February 14, 1995.

### **ISSUES AT IMPASSE**

While wages are the exclusive issue, it must be noted that the parties have, on some issues, reached agreement in that their final proposals are substantially identical. They are as follows:

- (1) Sewer cleaner shall be increased in pay to a Class I operator (now certified), removal of the residency requirement, allowing for unlimited sick leave accrual, and the inclusion of coveralls or uniforms, the type to be determined by the City.

- (2) Insurance plan changes effective 1/1/95 as follows:
- A. Deductible changed to \$200 S / \$400 F, Major Medical only.
  - B. Out-of-Pocket Maximum changed to \$500 S / \$1,300 F.
  - C. Dependent Coverage changed to age 19 or 25 if full-time student.
  - D. Pre-existing Limitation changed to same, except no maternity care for first 270 days. Applies to late enrollees only.
  - E. Home Care Benefits changed to 80 visits per year
  - F. Routine Physicals, Well Baby Care & Immunizations changed to covered to maximum of \$150 per year. Not subject to deductible and co-pay.
  - G. Drugs changed to covered by prescriptions, includes contraceptives.
  - H. Managed Care changed to include hospital pre-certification (penalty for non-compliance) and voluntary 2nd opinion.

- (3) The wage proposal by the Union and the City have some similarities:

The City proposes:

Wages - Effective 1/1/94 across the board, 25 cents per hour.  
Effective 7/1/94 across the board, 25 cents per hour.  
Effective 1/1/95 across the board, 48 cents per hour.

Water Department employees:

Effective 1/1/94 an extra 15 cents per hour.  
Effective 7/1/94 another 15 cents per hour.  
Effective 1/1/95 another 10 cents per hour.

Lab Technician:

Effective 7/1/94 an extra 15 cents per hour.  
Effective 1/1/95 another 15 cents per hour.

(3) Continued

The Union proposes:

Wages

Effective 1/1/94

Increase all rates by thirty cents (\$.30) per hour across the board

Increase Water Department rates by an additional fifteen cents (\$.15) per hour

Increase Lab Technician rate by an additional fifteen cents (\$.15) per hour

Increase Park Department rates by an additional fifteen cents (\$.15) per hour

Effective 7/1/94

Increase all rates by thirty cents (\$.30) per hour across the board

Increase Water Department rates by an additional fifteen cents (\$.15) per hour

Increase Lab Technician rate by an additional five cents (\$.05) per hour

Effective 1/1/95

Increase all rates by four and eight-tenths percent (4.8%) across the board.

The City's offer for 1/1/95 is proposed in specific monetary value, while the Union's proposal effective 1/1/95 is set forth in terms of a 4.8% of the then existing wage. This percentage is represented by the City to amount to 60 cents per hour. The City's 1/1/95 offer of 48 cents translates to a 3.8% increase. All other Union and City proposals are set forth in monetary values

The parties agree the Water Utility employees should receive a 15 cent per hour increase in addition to the basic increase received by all employees on 1/1/94.

The Union proposes a 15 cent increase for a Laboratory Technician in addition to the basic increase received by all employees on 1/1/94. The City proposes no such additional wage increase.

The Union also proposes a 15 cent per hour increase in addition to the basic hourly increase in wages for all Park Department employees on 1/1/94. The City's proposal is silent on this issue.

The Union proposes a 30 cent per hour increase for all Union employees effective 7/1/94. The City proposes 25 cents per hour. The Union and the City also differ on the proposed wage increase for the Laboratory Technician increase to be effective 7/1/94. The Union proposes 5 cents per hour in addition to the basic wage increase and the City proposes 15 cents per hour.

The Union and the City agree the Water Utility employees should receive 15 cents per hour increase in addition to the basic wage increase awarded on 7/1/94.

The Union's wage proposal for 1/1/95 is a 4.8% increase for all Union employees. This appears to translate into approximately 60 cents per hour wage increase, using the Union's 1/1/94 and 7/1/94 proposed wage increase. This amount is generalized because the percentage is applied to different basic wage rates for the several departments involved. I rely on the brief of the City because the Union has elected not to file a reply brief challenging this representation. The City has offered a 48 cent per hour wage increase for all employees, which they represent amounts to 4.2%. The City supplements the general increase by offering an additional amount of 10 cents per hour for Water Utility employees and 15 cents per hour for the Laboratory Technicians in addition to the basic 48 cents per hour.

The proposals of the City and the Union must be analyzed by the Arbitrator utilizing the factors set forth in Section 111.70(4) (CM) (7) Wis Stats. (see attached)

The City argues that the supplementary wage amounts for the Water Utility employees and the Laboratory Technicians who constitute one-third of the unionized employees brings their wage increase to 6.6%. That has not been challenged by the Union.

Obviously the stipulations by the parties reduce the areas of conflict and assures that in those areas there will be not disappointments.

The financial ability of the City of Merrill to meet the costs of the wage contract has not been put in issue and the comparative community exhibits makes this discussion understandable.

This arbitration has not significantly put the comparison of wages with other Merrill employees at issue. The City simply declares that the City's offer is comparable to the raises given to the Fire and Police Departments.

The wages awarded in comparable communities has been vigorously argued. I deem it appropriate to consider all of the comparable communities referenced in the presentation by the Union and the City of Merrill which include Rhinelander, Ashland and Tomahawk. The City declares these are appropriate comparables because of their size and geographic location. The Union argues the maximum wage comparables support the need for the wage increase the Union proposes. The City seems to rely on a comparison involving minimum starting wages. It appears that the maximum wage comparisons are more persuasive because they apply to the seasoned employees. Since the maximum wage comparisons appear to support the conclusion that the City of Merrill is behind the comparison cities, it lends support for the Union's wage demand.

While the Park Department employees may be in transition, as the City alleges, it is necessary to give weight to their position on the pay scale because this arbitration covers the immediate past and future. Again, examining the comparatives, using the maximum, it seems the Union position is more persuasive.

The City persuasively argues that the Merrill Community Profile dated February 1994 and produced by the Lincoln County Community Development Agency, P. O. Box 917, Merrill, WI 54452 support a conclusion that wage rates paid for laborers in Merrill is significantly lower than the wages urged by the Union. The parity between public employees wages and private sector wages is relative.

The inflation factor for purposes of this arbitration appears to be 2.8 per cent and the City argues their real wage offer produces a 1.5% wage increase for the "rank and file" worker and about 3% to a third of the work force. This accomplishes some "catch up" increase.

The City recognizes the Merrill Park workers probably will be merged into another department and presumably will have their wages structured with the new department's wage base. Therefore, the importance of their Park Department wages being higher than comparable communities is given less weight in the balancing of the merit of the City and Union proposals.

Private sector wage comparisons show the municipal employee wages to be higher. But this is so generalized and lacking in comparison of skill and job responsibility between employees of the private and public sector, that I find it to be only modestly informative and, therefore, not significantly persuasive.

The cities of Ashland, Rhinelander, Tomahawk are relatively isolated geographic locations from the metropolitan Wausau area. Traditionally, the comparisons of wages between rural and metropolitan areas show the higher wage profile in the metropolitan areas. An examination shows the Wausau sphere of influence results in higher wages. This factor, plus the "catch up" factor in the maximum rate is significant.

While the Water Utility employees are the employees most in need of a significant upward adjustment as recognized by the agreement by the City and the Union, I must note that the wage contract under consideration principally applies to the Department of Public Works employees. This review has considered the following wage comparisons:



COMPARABLE WATER DEPARTMENT - LICENSED OPERATORS  
 COMPARED WITH MERRILL CLASS I OPERATORS

<u>City</u>	<u>1994 Min.</u>	<u>1994. Max</u>	<u>Max. Rank</u>
Antigo	12.05	12.05	9
Marshfield	11.51	14.35	3
Rhineland	11.98	11.98	10
Rothschild	12.03	14.15	4
Schofield	13.54	13.54	6
Shawano	7.22	14.44	2
Stevens Point	11.24	13.22	7
Tomahawk	11.43	12.70	8
Wausau	11.44	13.46	5
Wisc. Rapids	14.46	16.31	1
Average	11.69	14.62	
Merrill Union (Class 1)	12.15 (1/94) 12.60 (7/94)	12.15 (1/94) 12.60 (7.94)	
Merrill City (Class 1)	12.10 (1/94) 12.50 (7/94)	12.10 (1/94) 12.50 (7/94)	

COMPARABLE LABORER POSITIONS

<u>City</u>	<u>1994 Min.</u>	<u>1994. Max</u>	<u>Max. Rank</u>
Antigo	10.98	11.32	7
Marshfield	9.40	11.75	3
Rhineland	10.89	10.89	8
Rothschild	9.65	11.35	6
Schofield	8.82	9.72	10
Shawano	8.80	10.92	9
Stevens Point	10.28	11.42	5
Tomahawk	11.43	12.70	2
Wausau	9.83	11.56	4
Wisc. Rapids	12.37	13.82	1
Average	10.25	11.55	
Merrill Union	10.44	11.08	
Merrill City	10.39	11.03	

COMPARABLE EQUIPMENT OPERATOR POSITIONS

<u>City</u>	<u>1994 Min.</u>	<u>1994 Max</u>	<u>Max. Rank</u>
Antigo	11.86	11.86	9
Marshfield	9.92	12.40	7
Rhineland	11.69	11.69	10
Rothschild	12.01	14.13	1
Schofield	13.49	13.49	4
Shawano	9.54	11.93	8
Stevens Point	11.29	12.54	5
Tomahawk	13.94	13.94	2
Wausau	10.57	12.44	6
Wisc. Rapids	13.20	13.89	3
Average	11.74	12.83	
Merrill Union	12.10	12.10	
Merrill City	12.05	12.05	

COMPARABLE PARKS LABORER POSITIONS

<u>City</u>	<u>1994 Min.</u>	<u>1994 Max</u>	<u>Max. Rank</u>
Antigo	10.98	10.98	7
Marshfield	9.40	11.75	5
Rhineland	11.29	11.29	6
Shawano	8.80	10.92	8
Stevens Point	11.13	12.37	3
Tomahawk	11.43	12.70	2
Marathon Cnty	10.97	12.19	4
Wisc. Rapids	12.79	13.46	1
Average	10.85	11.96	
Merrill Union	11.70	11.70	
Merrill City	11.50	11.50	

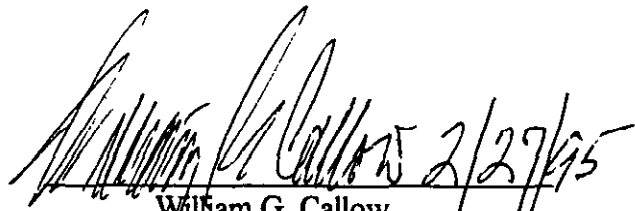
PERCENT INCREASE IN SALARY

<u>Ashland</u>	<u>Rhineland</u>	<u>Tomahawk</u>
1/1/92 - 2.00 %	See Attached	1992 - 1993 - 3.0 %
7/1/92 - 2.00 %	Exhibit A	7/1/93 ----- 3.5 %
3/1/93 - 3.75 %		1993 - 1994 - 4.5 %
1/1/94 - 3.75 %		1994 - 1995 - 4.5 %
-----		1995 - 1996 - 4.5 %

The comparatives as applied to maximum wages support the Union's proposal for wage adjustment. The benefits argument is best used for internal comparisons. The benefits issue is difficult to weigh in specific value to wage adjustments. The City's Exhibits 14 to 22 concerning benefits are not sufficiently definitive to overcome the conclusion that the Union offer is the most equitable and, therefore, this Arbitrator must chose the Union's final offer. Your Arbitrator has examined the population, full value excluding T.I.F., taxes levied, available holidays, the percentage increase in salaries and the multiple benefit comparison exhibits in reaching this conclusion.

## AWARD

Based on the exhibits, arguments, and testimony in this proceeding, along with the statutory factors set forth in Section 111.70 (4) (CM) 7 of MERA and for the reasons discussed above, the Arbitrator selects the final offer of the Union and directs that it be incorporated without modification together with any stipulations of the parties.

  
William G. Callow  
Arbitrator

704 Butternut Road  
Madison, Wisconsin 53704

FINAL OFFER OF MERRILL CITY EMPLOYEES, LOCAL 332, AFSCME,  
AFL-CIO TO THE CITY OF MERRILL

Effective 1/1/94

SEWER CLEANER SHALL BE INCREASED IN PAY TO A CLASS I OPERATOR (NON-CERTIFIED).

RESIDENCY LANGUAGE REMOVED FROM CONTRACT

ALLOW FOR UNLIMITED ACCRUAL OF SICK LEAVE WITH CONVERSION REMAINING STATUS QUO

ARTICLE 12D MODIFIED TO INCLUDE COVERALLS OR UNIFORMS , THE TYPE OF THESE TO BE DETERMINED BY THE EMPLOYER.

EFFECTIVE 1/1/95 OR AS SOON AS THE EMPLOYER DEEMS PRACTICABLE

INSURANCE PLAN CHANGES AS FOLLOWS:

- A. DEDUCTIBLE INCREASED TO \$200 SINGLE /\$400 FAMILY MAJOR MEDICAL ONLY
- B. OUT OF POCKET MAXIMUMS AMENDED TO \$500 SINGLE AND \$1,300 FAMILY
- C. DEPENDENT COVERAGE CHANGED TO AGE 19 OR 25 IF FULL TIME STUDENT
- D. PRE-EXISTING LIMITATION CHANGED TO SAME, EXCEPT NO MATERNITY CARE FOR 270 DAYS. APPLIES TO LATE ENROLLEES ONLY
- E. HOME CARE BENEFITS CHANGED TO 80 VISITS PER YEAR
- F. ROUTINE PHYSICALS, WELL BABY CARE & IMMUNIZATIONS CHANGED TO COVERED TO MAXIMUM OF \$150 PER YEAR. NOT SUBJECT TO DEDUCTIBLE OR CO-PAY
- G. DRUGS CHANGED TO COVERED BY PRESCRIPTIONS, INCLUDES CONTRACEPTIVES
7. MANAGED CARE CHANGED IN INCLUDE HOSPITAL PRE-CERTIFICATION (PENALTY FOR NON-COMPLIANCE) AND VOLUNTARY SECOND OPINION

WAGES

EFFECTIVE 1/1/94

INCREASE ALL RATES BY THIRTY CENTS, (\$.30) PER HOUR ACROSS THE BOARD

INCREASE WATER DEPARTMENT RATES BY AN ADDITIONAL FIFTEEN CENTS (\$.15) PER HOUR

INCREASE LAB TECHNICIAN RATE BY AN ADDITIONAL FIFTEEN CENTS (\$.15) PER HOUR

INCREASE PARK DEPARTMENT RATES BY AN ADDITIONAL FIFTEEN CENTS (\$.15) PER HOUR

EFFECTIVE 7/1/94

INCREASE ALL RATES BY THIRTY CENTS (\$.30) PER HOUR ACROSS THE BOARD

INCREASE WATER DEPARTMENT RATES BY AN ADDITIONAL FIFTEEN CENTS (\$.15) PER HOUR

INCREASE LAB TECHNICIAN RATE BY AN ADDITIONAL FIVE CENTS (\$.05) PER HOUR

EFFECTIVE 1/1/95-INCREASE ALL RATES BY FOUR AND EIGHT TENTHS PERCENT (4.8%) ACROSS THE BOARD.

PLUS ALL OTHER TENTATIVE AGREEMENTS

August 17, 1994

Ms. Sharon Gallagher  
WERC  
14 W. Mifflin St.  
Madison, WI 53707-7870

Re: City of Merrill Department of Public Works  
Case 51, No. 51017  
Int/Arb 7297

Dear Sharon:

Enclosed is our final offer on behalf of the City of Merrill pursuant to 111.70(4)(cm)6, of the Municipal Employment Relations Act.

1. Sewer Cleaner shall be increased in pay to a Class I operator (non-certified).
2. Residency language removed.
3. Unlimited accrual of sick leave, but conversion remains the same.
4. Article 12(D) modified to include coveralls or uniforms, the type of these to be decided by the employer.
5. Insurance plan changes effective 1/1/95 as follows:
  - A. Deductible changed to \$200 S/\$400 F, Major Medical only
  - B. Out-of-Pocket Maximum changed to \$500 S/\$1,300-F
  - C. Dependent Coverage changed to age 19 or 25 if full time student
  - D. Pre-existing Limitation changed to same, except no maternity care for first 270 days. Applies to late enrollees only.
  - E. Home Care Benefits changed to 80 visits per year.
  - F. Routine Physicals, Well Baby Care & Immunizations changed to covered to maximum of \$150 per year. Not subject to deductible and co-pay.
  - G. Drugs changed to covered by prescriptions, includes contraceptives.
  - H. Managed Care changed to include hospital pre-certification (penalty for non-compliance) and voluntary 2nd opinion.

Ms. Sharon Gallagher  
Page 2  
August 17, 1994

6. Wages - Effective 1/1/94 across the board, 25 cents per hour.  
Effective 7/1/94 across the board, 25 cents per hour.  
Effective 1/1/95 across the board, 48 cents per hour.

Water Department employees:

Effective 1/1/94 an extra 15 cents per hour.  
Effective 7/1/94 another 15 cents per hour.  
Effective 1/1/95 another 10 cents per hour.

Lab Technician:

Effective 7/1/94 an extra 15 cents per hour.  
Effective 1/1/95 another 15 cents per hour.

Yours truly,

SCHMITZ, HARTLEY  
& KOPPELMAN, S.C.

By \_\_\_\_\_  
James C. Koppelman

JCK:psp

CC: Judith Stockowitz

L. W. ...