

BEFORE THE ARBITRATOR

In the Matter of the Petition of

Case 72 No. 56709

MIA-2209

TOWN OF CALEDONIA FIRE FIGHTERS
PROTECTIVE ASSOCIATION, LOCAL
2740, INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, AFL-CIO

Dec. No. 29551-A

Heard: 5/11/99

Record Closed: 8/12/99

Award Issued: 10/11/99

For Final and Binding Arbitration
Involving Fire Fighting Personnel
in the Employ of

Sherwood Malamud
Arbitrator

TOWN OF CALEDONIA (FIRE
DEPARTMENT)

APPEARANCES:

Shneidman Myers, Attorneys at Law, by John B. Kiel, 700 W. Michigan,
Suite 500, P.O. Box 442, Milwaukee, Wisconsin 53201-0442,
appearing on behalf of the petitioning Association.

Victor J. Long, Long & Halsey Associates, Inc., 8330 Corporate Drive,
Racine, Wisconsin 53406, appearing on behalf of the Municipal
Employer.

ARBITRATION AWARD

Jurisdiction of Arbitrator

The Town of Caledonia Fire Fighters Protective Association, Local 2740, IAFF, AFL-CIO, hereinafter the Association, and the Town of Caledonia (Fire Department), hereinafter the Town or the Employer, reached an impasse in their negotiations for a successor to the 1996-1997 Collective Bargaining Agreement. The parties selected and on March 23, 1999, the Wisconsin Employment Relations Commission appointed Sherwood Malamud to determine this dispute pursuant to Sec. 111.77(4)(b) of the Municipal Employment Relations Act. Hearing in the matter was held on May 11, 1999, at the Caledonia Town Hall. Post-hearing briefs and reply briefs were exchanged through the Arbitrator and the record in the matter was closed on

August 12, 1999. This Award is issued pursuant to Sec. 111.77(4)(b) form 2 in that:

The Arbitrator shall select the final offer of one of the parties and shall issue an award incorporating that offer without modification.

SUMMARY OF THE ISSUE IN DISPUTE

Salary Increase

Association Offer

Increase the July 1, 1997 wage by 5% across-the-board effective January 1, 1998, with an additional increase effective January 1, 1999 of 4% across-the-board.

Town Offer

Increase the July 1, 1997 wage by 3% effective January 1, 1998 and 3% effective January 1, 1999.

STATUTORY CRITERIA

- 111.77(6) In reaching a decision the arbitrator shall give weight to the following factors:
- (a) The lawful authority of the employer.
 - (b) Stipulations of the parties.
 - (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
 - (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - 1. In public employment in comparable communities.

2. In private employment in comparable communities.

- (e) The average consumer price for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) 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.

BACKGROUND

In their negotiations for a successor to the 1996-1997 Collective Bargaining Agreement, the parties resolved all but the wage issue for calendar years 1998 and 1999. The Association proposes wage increases that are intended to provide *catch-up* for the bargaining unit members. The Town offers a 3% increase in each of the two years of the successor agreement consistent with the settlements it achieved in the five other bargaining units of the approximately 110 employees employed in the Town.

The Town of Caledonia is located north of the City of Racine. It borders the Town of Mount Pleasant, Franklin lies to the north northeast. The Town has a population of 22,654 spread out over 46 square miles. Shortly after the May 11 hearing, the Town was scheduled to open a third fire station. The fire department is staffed by 30 full-time unit employees. The Chief, Assistant

Chief, and three Battalion Chiefs are excluded from the bargaining unit. With the third station, the complement of full-time employees employed in the fire department may increase by seven. Two classifications are in the bargaining unit, i.e., Fire Fighter and Lieutenant. The Department does not maintain a separate Motor Pump Operator classification as other departments do. The senior Fire Fighter on duty frequently fulfills the duties normally performed in comparable departments by the Motor Pump Operator.

POSITIONS OF THE PARTIES

The Association Argument

The Association argues that over the last decade the Caledonia Fire Fighter and Lieutenant classifications have fallen behind the wage levels paid by comparable employers to those classifications. The Association proposes salary increases greater than the increases agreed to by comparable employers for calendar years 1998 and 1999 in order for the Fire Fighter and Lieutenant classifications in the Town of Caledonia Fire Department to achieve some measure of catch-up. The only way to achieve *catch-up* is for the party seeking *catch-up* to propose wage increases that exceed those received by comparable employees in comparable municipalities. The Association argues that the wage and longevity pay received by the Town of Caledonia Fire Fighter and Lieutenant is so far from the average paid by the comparables that it justifies above average wage increases of 5% in the first year and 4% in the second year of the agreement.

The Association notes that the paramedic premium proposed, 5% of the Fire Fighter base salary, generates a dollar level below that of other departments that provide Paramedic service and pay a Paramedic premium.

The Association argues that the factor *the interest and welfare of the public* supports the fair compensation of Town of Caledonia Fire Fighters. The Town can afford to pay the Association's demand.

The Association notes that it raised the *catch-up* issue in bargaining. The Town resists agreeing to provide the Fire Fighters with *catch-up* pay.

The Association responds to the Town's argument that the Association accepted a wage settlement of 2% in place of 4% to include an overtime proposal which it achieved in the 1994-1995 Agreement in exchange for the right of first refusal for all scheduled overtime. The Association maintains that there is no testimony to establish the *quid pro quo* argument pressed by the Town as an explanation for the below average wage level of the Caledonia Fire Fighter.

The Association argues that it has established the need for *catch-up*. Accordingly, its offer is the more reasonable. The Town's final offer only increases the disparity between the average wage paid to Fire Fighters of comparable employers and the wage level that would result from the implementation of the Town's final offer.

The Town Argument

The Town notes that in the tentative agreement the Employer agreed to pay, for the first time, a Paramedic premium. In addition, the Town will incur substantial additional personnel costs as a result of the addition of a third fire station in May 1999. The cast forward costing severely understates its personnel costs. This cost burden is exacerbated by the higher than average wage proposal of the Association. The interest and welfare of the public criterion, therefore, supports the selection of the Town's final offer.

The Town notes that the erosion of wage levels from the period of 1993 to the period covered by the contract in dispute increased from 2.65% in 1993 to 5.01%. In the 1994-1995 Agreement, the Fire Fighters accepted a 2% increase when the five other comparables agreed to a 4.5% wage increase. The parties consistently negotiate percentage wage increases in their voluntarily settlements in the 90s. The wage erosion suffered by the Department's employees is the result of the *quid pro quo agreement* to a lower wage and the effect percentage increases has had on that disparity over time.

The Town notes that the erosion of the wage level of its Fire Fighters as contrasted to the Employer's police officers resulted from the agreement in

which the Fire Fighters obtained the right of first refusal to overtime and the additional income that the right to work this overtime provided. The Town argues and appends to its brief a chart demonstrating that the Association proposal seeks to eliminate the disparity in wage that resulted from the voluntary agreement to provide the Caledonia Fire Fighter the right of first refusal to overtime and call-in. The Town argues that the benefits and burdens of past negotiations should not be ignored.

The Town points to the low rate of inflation of approximately 1.6% during the period in question. It notes that this criterion supports a 3% wage increase which is approximately double the rate of inflation.

The Town concludes that the total package wage increase of 4% in 1998 and 4.7% in 1999 inclusive of the Paramedic pay premium is 4.36% in 1998 and 6.24% in 1999 with the completion of Paramedic staffing in the second year of the Agreement. The Employer concludes that its offer is fair to the Fire Fighters and to the Caledonia taxpayer. It argues that the Arbitrator should select its final offer for inclusion in the successor Agreement.

DISCUSSION

Introduction

In their arguments, the parties focus on the following factors that they argue serve to differentiate the two offers: stipulations of the parties; comparability - both external and internal; interest and welfare of the public; cost-of-living; overall compensation; such other factors. The Arbitrator first addresses the dispute over which communities should serve as a basis for comparing the wage levels and wage increases to be paid to the Town of Caledonia Fire Fighters and Lieutenants in calendar years 1998 and 1999. The Arbitrator then turns to apply the statutory criteria to the parties' final offers to determine which one should be included in the successor Agreement.

Comparable Communities

The parties agree that Oak Creek, Cudahy, South Milwaukee, Greendale, Franklin, and the Town of Mount Pleasant are communities comparable to Caledonia for the purpose of determining the appropriate wage level and rate of increase for Fire Fighters and Lieutenants in the Caledonia Fire Department. The Association adds the City of Racine and Greenfield to the comparability pool. The Town objects to the inclusion of these two communities in that both are much larger in population and the fire departments are far larger in size than the Caledonia Fire Department.

The population of the City of Racine is 85,552; Caledonia's is 22,654. The City of Racine employs 162 Fire Fighters in its department and spends \$15,594,000 to operate the department. Greenfield, with a population of 35,632 and a department of 53 full-time Fire Fighters and officers expends \$2,957,000 to operate its department. Caledonia employs 30 full-time Fire Fighters and Lieutenants and expends \$672,000 to operate its department. (Source, Association Exhibit Xa and Appendix A to Employer's brief)

The Association argues that Caledonia sits between the Greater Milwaukee and Racine/Kenosha labor markets. The Fire Fighters of Caledonia shop and play in these markets. Racine should be included as a comparable.

The determination of comparability is based on factors such as the relative size of the communities, the size of the particular department and classification of employee subject to the arbitral comparison, the tax base in place to support the operation and payment of personnel of the department, the urban or rural character of the community served.

The population of Racine is larger than Caledonia by a factor of four. Racine is an urban community with all the attendant problems in fire fighting that one would expect in an urban environment. On the other hand, the Town of Caledonia is spread out over 46 square miles. The difference in the nature of the communities and the departments that serve these communities is evidenced by the relative size of the departments in Racine and Caledonia. The Racine department employs 162 full-time Fire Fighters in the bargaining unit and Caledonia employs 30 full-time Fire Fighters and Lieutenants. The Racine department is larger than Caledonia by a factor in excess of five. The Racine

operational budget (excluding personnel costs) is larger than Caledonia's by a factor of more than twenty. The Arbitrator concludes that Racine should not serve as a primary or secondary comparable to Caledonia.

Greenfield is larger than Caledonia. Greenfield employs approximately 1.75 fire fighters for each Caledonia fire fighter. Its operational budget is four times that of Caledonia's. The population is 1.5 times the size of Caledonia. Greenfield is much larger than the other communities in the comparability grouping agreed upon by the parties.

The change of the comparability group would disturb the parties' negotiation process. It would only encourage comparability shopping. There is no evidence to show that the parties regularly excluded Greenfield as a comparable in the course of their negotiations.

Historically the parties have looked to Greenfield as a comparable to Caledonia. In his Interest Arbitration Award in November 1982, Arbitrator Christenson looks to Greenfield as a comparable to Caledonia. This Arbitrator, as do arbitrators generally, is reluctant to change the comparability grouping absent compelling evidence supporting such a change.¹ The Arbitrator finds that the record in this case does not necessitate changing the comparability grouping. Accordingly, the Arbitrator includes Greenfield as part of the comparability group which he uses to select the most reasonable offer for inclusion in the 1998-1999 successor Collective Bargaining Agreement.

Comparability

In its exhibit Xe and chart included in its brief, the Association identifies the 10-year Fire Fighter as a benchmark. The average wage of the 10-year Fire Fighter of the comparable Fire Departments increased from \$41,987.50 in 1997 to \$43,351.54 in 1998 for an average increase of 3.25%. The Town proposes a 3% increase in 1998. The Association proposes a 5% increase in wages in 1998.

¹ *Sheboygan County (Highway Department)* Dec. No. 27719-A (Malamud, 4/94); *Luxemburg-Casco Education Association*, Dec. No. 27168-A (Briggs, 8/92).

The percentage increase proposed by the Town is much closer to the average offered in comparable communities. Absent the *catch-up* argument, the Town offer would be preferred. In other words, if the wage levels paid to Town of Caledonia Fire Fighters are roughly approximate to the average paid by the comparables, a wage offer of 3% is much closer to the average increase implemented by the comparables than that put forth by the Association. A claim that *catch-up* is necessary changes the focus of the dispute from the year to year percentage increase offered to the wage level paid by comparable communities to their Fire Fighters and officers in the bargaining unit.

A collective bargaining representative that argues the need for *catch-up* has a difficult task at hand. The fact that the wage level in a particular community is the lowest among the comparables does not establish a need for *catch-up*. Simply put, in any listing for any purpose, especially a wage comparison, one of the names included on the list will be last. The fact that one is last does not establish a basis for *catch-up*.

This Arbitrator has often observed that the interest arbitration statutes drive wages to the mean. *Belmont Schools*, Dec. No. 27200-A (Malamud, 10/92); *Racine County (Deputy Sheriff's Association)*, Dec. No. 27324-A (Malamud, 2/93). The average increase in 1998 among the comparables is 3.25%. The Association proposes a 5% increase in 1998. Under the final offer of the Town, the wage disparity from the average will increase, albeit slightly in 1998. The Association offer, on the other hand, which is approximately 1.75% higher than the average will greatly decrease the disparity between the average and the wage level of the Caledonia Fire Fighter.

In 1997, the \$39,704.69 base wage plus longevity of a 10-year Fire Fighter in Caledonia was 5.4% below the average wage level of Fire Fighters in comparable communities. In 1997, the average wage level of Fire Fighters in comparable communities was \$41,987.50. In 1998, under the Town's offer, the Caledonia 10-year Fire Fighter wage would increase to \$40,885.33 relative to an average wage paid by comparable communities of \$43,351.54. Under the Town's offer, the disparity from the average increases from 1997 to 1998 from \$2,282.81 below the average in 1997 to \$2,466.21 below the average in 1998.

The wage level of the Caledonia Fire Fighter under the Association offer for 1998 would increase from \$39,704.69 to \$41,672.42. Stated in percentage terms, in 1997 the Caledonia wage for the 10-year Fire Fighter was 5.4% below the average. Under the Town's offer, the disparity from the average would increase to 5.68% below the average. Under the Association offer, the disparity from the average would decrease substantially from 5.4% below the average to 3.87% below the average.

There is a large disparity between the average wage paid by the seven comparables (excluding Caledonia) to its 10-year Fire Fighter and the wage level of the Caledonia 10-year Fire Fighter. The question remains does it justify the payment of *catch-up*?

The evidence clearly establishes that within the decade of the '90s, the disparity from the average wage level paid in comparables communities to their 10-year Fire Fighter and the wage level of the 10-year Fire Fighter in Caledonia proceeded further from and below the average, from \$1,231.54 in 1991 to \$2,282.81 below the average paid by the comparables in 1997. The Town offer would increase this disparity to \$2,466.21 below the average in 1998. Under the Association offer, the disparity would decrease to \$1,679.12 below the average in 1998.

In the second year, the Town proposes a 3% increase. The average wage level among the comparables increases in 1999 over the average for 1998 by 2.997%. In its calculations, the Association assumes a 3% increase for Fire Fighters in Mount Pleasant, since they had not reached agreement on a successor covering calendar year 1999 at the time of the arbitration hearing. Ordinarily, where six comparables have settled, the Arbitrator would not assume a particular level of increase for the lone remaining unsettled wage among comparable communities. However, the Town emphasizes that the only other town government included among the comparables is Mount Pleasant. The wage levels paid in Mount Pleasant most closely approximate those of Caledonia, although Mount Pleasant's wage is slightly higher than Caledonia's (except at the Lieutenant benchmark in calendar year 1999 under the

Association offer; the Caledonia Lieutenant would increase to \$3.86 above the Lieutenant in Mount Pleasant).

The Arbitrator calculated the average wage level for 1999 both including and excluding Mount Pleasant from the average. The Arbitrator finds that the Association's assumption provides a better basis for comparison.² Under the Town offer the disparity from the average would increase from \$2,466.21 in 1998 to \$2,636.15 in 1999, but stated as a percentage it remains at 5.89% below the average. Under the Association offer, the disparity from the average would decline to \$1,412.22.

The Town offer takes wage levels that are substantially below the average in the wrong direction. It takes those wage levels further below average in dollar terms and as a percentage, it takes the wage level from 5.4% to 5.89% below the average. The Association offer, as a result of its reliance on a demand for *catch-up* brings the wage level of the 10-year Fire Fighter sufficiently close to the average to a point where the need for *catch-up* has been met, albeit when compared to the comparables, the 10-year Fire Fighter wage inclusive of longevity, remains the lowest.

The Association compares the 15-year Fire Fighter, a senior Fire Fighter, to the Motor Pump Operator classification in other comparable units. The Arbitrator finds that this comparison is fueled by many assumptions concerning the duties and responsibilities of Motor Pump Operators in communities that maintain that classification. Furthermore, the Association argument over the Motor Pump Operator tracks the one reviewed above for the 10-year Fire Fighter.

The wage level disparity at the 15-year Lieutenant benchmark as reflected in the Association's amended exhibit Xg presents wage levels both in dollar terms and percentages that are even further below average than the 10-year Fire Fighter. In 1997, the base year, the wage level at the Lieutenant rank

² The average salary wage level for the 10-year Fire Fighter in 1999 is \$45,109.28 excluding Mount Pleasant. With Mount Pleasant it is \$44,737.55.

is \$3,262.43, or 7.19% below the average of \$45,360.92.³ In 1998, the average wage level for a Lieutenant is \$47,173.98. Under the Town's offer, the disparity

³The Arbitrator's calculations differ slightly from those reflected in the amended Association exhibit Xg. The Association exhibit calculates the mean including the City of Racine. As noted above, the Arbitrator excludes Racine as a comparable.

from the average would increase from \$3,262.43 to \$3,829.04 below the average or to 8.1% below the average paid by the comparables. The Association offer brings the disparity from the average down from \$3,262.43 to \$2,998.07 or from 7.1% to 6.35% below the average.

In 1999, the Association offer brings Caledonia to \$3.00 above Mount Pleasant, assuming Mount Pleasant Lieutenants receive a 3% increase in 1999. The average wage level at the rank of Lieutenant increases to \$48,867.42. Under the Town offer the Lieutenants would receive \$44,628.79 or \$4,238.63 below the average or 8.6% below the average. The Association offer brings the Lieutenants to \$2946.47 below the average or 6% below the average. The data for Lieutenants provides a compelling need for *catch-up* at this rank. There is not a scintilla of evidence to suggest why the rank of Lieutenant in the Town of Caledonia should be paid at a wage level that is 8.6% below the average paid by the comparables. There is a compelling need for *catch-up* at this rank.

The Association argues that the premium paid to Paramedics in 1998 and 1999 under the stipulation to establish a Paramedic premium for the first time in this successor agreement places the Caledonia Paramedic below the average premium paid by comparable employers. Only four comparables maintain a Paramedic program; they are the communities of Franklin, Greenfield, Mount Pleasant, and South Milwaukee. Franklin, a comparable accepted by both the Town and the Association pays a premium in 1998 approximately \$1,100 above the next closest comparable. This Arbitrator insists on the availability of at least five communities in the comparability grouping to establish a basis for comparing wage levels to the average paid by the comparables. Otherwise, when the number of comparables in the grouping is below five, a wage level that is disproportionately higher than two or three other comparables enables an unusual wage to distort the average. Due to the lack of sufficient data for the Paramedic premium, the Arbitrator makes no comparisons on that issue.

Nonetheless, the Arbitrator notes that the parties agreed to a percentage of the base wage as a basis for the payment of the Paramedic premium. The adoption of a higher wage offer will generate a greater premium. The comparison of the Paramedic wage level does not serve to distinguish between

the offers of the parties where both parties agree to the percentage level of the premium for Paramedics.

On the basis of the above discussion, the Arbitrator concludes that the Association has made a convincing argument to support its proposal for wage increases of 5% in 1998 and an additional 4% in 1999 to provide *catch-up* for the wage level of the 10-year Fire Fighter. The evidence suggests a compelling need for *catch-up* at the rank of Lieutenant. The wage level of the Caledonia Lieutenant remains 6% below the average even with the adoption of the Association's final offer in both years of the successor Agreement. This factor provides strong support for the adoption of the Association offer and its inclusion in the parties' successor Agreement.

Despite the established need for *catch-up*, does the Association offer attempt to get too much too quickly and thereby place an undue burden on the Caledonia taxpayer?

The total package cost of the Association offer increases payroll costs in Caledonia from \$971,105.79 in the base year, 1997, to \$1,031,546.79 in 1998; an increase of 6.22%. The Association offer increases payroll costs in the second year from \$1,031,546.31 to \$1,105,542.64 or, under the cast forward method used by the parties to calculate a total package, increase payroll costs by \$73,996.33 or 7.17%.

The Town's final offer, inclusive of the Paramedic premium, increases payroll costs by 4.36% in 1998 and 4.7% in 1999. The record does not demonstrate an inability to pay. Certainly, the total package cost of an offer that includes *catch-up* is burdensome. However, where a party is able to make a case for *catch-up*, it means that the Employer has had the economic benefit of paying below average wages for some period of time.

Internal Comparables

The Association charts the erosion of the wage level of the Caledonia Fire Fighter as contrasted to the Caledonia Police Officer. By discussing a comparison of the wage levels of Police Officers and Fire Fighters, the Arbitrator does not suggest that there is any linkage between the wage levels of the two

classifications of employees. In fact, the evidence demonstrates compellingly that the parties do not recognize any linkage between the two classifications.

In 1991, the wage level of the Caledonia Fire Fighter was above that of the Police Officer. Subsequently, the disparity reverses. By 1997, the wage of the 10-year Fire Fighter is \$1,330.11 below the top step wage level of the Caledonia Police Officer inclusive of longevity. The Town offer slightly increases the disparity between the wage level for the Caledonia Police Officer and Fire Fighter to \$1,376.67. The Association offer reduces that disparity to \$589.58 in 1998. In 1999, the Town offer again increases the disparity to \$1,408.61. The Association offer further reduces the disparity to \$184.68 below the wage of the top step, inclusive of longevity, Police Officer in Caledonia.

The Employer has settled with five of the six units of employees in Caledonia at 3% wage increases in calendar years 1998 and 1999. The adoption of the Association offer breaks with this established pattern.

As noted above, inherent in the *catch-up* argument is the notion that the employees who receive *catch-up* will obtain an increase that is greater than the increases obtained by Fire Fighters in comparable communities. There is a likelihood that they will receive wage increases higher than the wage settlements generated by an established internal pattern. It is possible, but unlikely, that an established pattern of settlements of one employer, may, generate wage increases sufficient to provide *catch-up* to the wage level of employees in similar classifications in comparable communities to the group of employees in arbitration. A 3% increase would not provide any *catch-up*; it would exacerbate the wage disparity.

Here, the Association offer breaks an established pattern. Despite the need for *catch-up*, the internal comparability factor supports the maintenance of an internal pattern of settlement. Full consideration of the weight accorded *catch-up* is discussed below. The internal comparable factor of the comparability criterion supports adoption of the Town offer.

Summary - Comparability

The comparison of wage levels at the 10-year Fire Fighter and Lieutenant benchmarks favor the adoption of the Association final offer and its inclusion in the successor Agreement. The internal comparability factor segment of the comparability criterion provides strong support for the adoption of the Town's final offer. Where a group of employees have established the need for *catch-up* and have addressed that need in their final offer, that evidence provides the basis for breaking an internal settlement pattern. Accordingly, absent evidence of an Employer's inability or difficulty in paying an offer that includes *catch-up*, the Arbitrator adopts the proposal for *catch-up*. Otherwise, the party that has established the need for *catch-up* will find it difficult to free itself of the pattern of settlement and provide increases of sufficient size to bring the wage levels of that classification toward the average. The Arbitrator concludes that by according greater weight to the external comparables and the *catch-up* argument established on the basis of those comparables, the statutory tendency to drive salary levels toward the mean will be met. The Arbitrator concludes that the comparability criterion strongly supports the adoption of the Association's final offer and its inclusion in the successor Agreement.

Stipulations of the Parties

In their stipulation, the parties agreed to pay a Paramedic premium, for the first time, of 5% to those eligible to receive that premium. This factor supports the Town final offer. It suggests the increased effort and additional sums of money not paid in 1997 that the Employer undertakes to pay in 1998 and 1999, and thereafter, as a result of this agreement to a percentage premium for Paramedics' pay. This statutory criterion supports the inclusion of the Town's final offer in the successor Agreement.

Overall Compensation

The benefits received by the Caledonia Fire Fighters are consistent with the benefits received by other units in the Town. Fire Fighters work 24 hours on and 48 off. There is no evidence to suggest that this schedule differs significantly from that worked by Fire Fighters in comparable communities. Given the unusual schedules worked by Fire Fighters as contrasted to other

employees of the Town, the provisions relating to matters such as time off differ in this unit from other units.

In Exhibits Xi and Xj, the Association demonstrates that the Employer contribution for the highest priced health insurance plan in 1998 and in 1999 is the lowest among the comparables. The outlay for health insurance contributions by the comparables is significantly higher than the sums paid by Caledonia. For example, in Oak Creek, the contribution to the family plan amounts to \$785.49 in 1997. In Caledonia it is \$456.90. Similarly, in 1998 in Cudahy, the employer's contribution for family insurance amounts to \$820.69; in Caledonia, it is \$452.80. This pattern continues in 1999 with the Employer's contribution in Cudahy toward the premium for family health insurance coverage totals \$836.60 monthly; in Caledonia it is \$491.95. This criterion does not provide a basis, however, for distinguishing between the final offers of the parties.

Cost-of-living

The total package cost of the Association offer would increase payroll costs in Caledonia from \$971,105.79 in the base year, 1997, to \$1,031,546.79 in 1998; an increase of 6.22%. In 1999, payroll costs for the Fire Department would increase from \$1,031,546.31 to \$1,105,542.64 by 7.17%. The rate of inflation during the relevant period in 1997 and 1998 was approximately 1.6%.

The Town's final offer results in a total package increase, inclusive of the Paramedic premium, of 4.36% in 1998 and 4.7% in 1999. The total package final offer of the Town is approximately three times the increase in the cost-of-living during the relevant period of 1997 and 1998. Accordingly, this criterion provides strong support for the adoption of the Town's final offer over that of the Association in the successor Agreement.

Such Other Factors

The Association introduced the testimony of Association President Lingafelt. He testified at the arbitration hearing that during this round of negotiations, the Association attempted to convince the Town of the need for *catch-up*. This demand was not sprung on the Employer in preparation for

arbitration. The Arbitrator concludes that this factor does not significantly distinguish between the final offers of the parties.

SELECTION OF THE FINAL OFFER

The Arbitrator has considered the statutory factor, the lawful authority of the employer, and finds that it does not serve to distinguish between the offers of the parties. Although both parties present arguments concerning the interests and welfare of the public criterion, the Arbitrator concludes that the criterion provides no basis for selecting one party's offer over that of the other.

In the above discussion, the Arbitrator concludes that the factor the stipulation of the parties reflects the extra effort provided by the Employer through its agreement to pay, for the first time, a Paramedic premium at a percentage of the base wage. The inclusion of the Paramedic's premium increases the total package cost of the Employer's offer by 0.36%.

The criterion, the Cost-of-living, also provides strong support for the adoption of the Town's final offer. The wage proposal of the Town far exceeds the increase in the cost-of-living. The Fire Fighters and Lieutenants of the Town benefit further in relation to the change in the cost-of-living, in as much as, the Employer underwrites health insurance premiums which constitutes a portion of the increase in the cost-of-living.

The stipulations of the parties and the cost-of-living criteria establish the reasonableness of the Town's final offer. However, the Association has presented a compelling need for *catch-up*. Its offer at the 10-year Fire Fighter benchmark brings the wage level from a level that is unreasonable in its disparity from the average to a level in 1999 that falls within a range of reasonableness. The Association offer decreases the disparity from the average at the rank of Lieutenant. However, even in the second year of the agreement, the wage level for Lieutenant remains well below average. The Arbitrator concludes that the need for *catch-up* is so compelling that it must receive determinative weight in this analysis. Accordingly, the Arbitrator concludes that the final offer of the Association should be included in the successor Agreement for calendar years 1998 and 1999.

Based on the above discussion, the Arbitrator issues the following:

AWARD

Under the statutory criteria at Sec. 111.77(6), *Wis. Stats.*, and for the reasons discussed above, the Arbitrator selects the final offer of the Town of Caledonia Fire Fighters Protective Association, Local 2740, IAFF, AFL-CIO, which together with the stipulations of the parties, are to be included in the Collective Bargaining Agreement between the Town of Caledonia and the Association for calendar years 1998 and 1999.

Dated at Madison, Wisconsin, this 11th day of October, 1999.

Arbitrator