

BEFORE THE ARBITRATOR

In the Matter of the Petition of
ANTIGO FIREFIGHTERS UNION, LOCAL
1000, IAFF, AFL-CIO

Case 76 No. 58606
MIA-2320

Decision No. 29980-A

For Final and Binding Arbitration
Involving Law Enforcement Personnel in
the Employ of

CITY OF ANTIGO (FIRE DEPARTMENT)

Sherwood Malamud
Arbitrator

APPEARANCES:

Shneidman, Myers, Dowling, Blumenfield, Ehlke, Hawks & Domer by
John B. Kiel, P.O. Box 442, Milwaukee, Wisconsin 53201-0442,
appearing on behalf of the Union.

Ruder, Ware & Michler, S.C., by Jeffrey T. Jones, 500 Third Street,
Suite 600, P.O. Box 8050, Wausau, Wisconsin 54402-8050,
appearing on behalf of the Municipal Employer.

ARBITRATION AWARD

Jurisdiction of Arbitrator

The Antigo Firefighters Union, Local 1000, IAFF, AFL-CIO, hereinafter the Union, and the City of Antigo, hereinafter the City or the Employer, reached an impasse in their negotiations for the 2000-2001 Collective Bargaining Agreement, a successor to the 1998-99 Agreement. The parties selected and on October 9, 2000, 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 November 13, 2000, at the Antigo City Hall in Antigo, Wisconsin. Post-hearing briefs and reply briefs were received by the Arbitrator and the record in the matter was closed on February 12, 2001. 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.

BACKGROUND

The City of Antigo is located in north central Wisconsin approximately 45 miles from Wausau, 75 miles from Green Bay, and a little over 50 miles from Shawano. This is the first occasion that the firefighters and the City have participated in an interest arbitration proceeding over wages and other conditions of employment. Previously, the parties entered into voluntary agreements.

With a population of 8,636 in 1999 and the lowest equalized property value for 2000 of any community suggested as a comparable to Antigo by either the Employer or the Union, the identification of a group of comparables is the most difficult task in the determination of this case. The sole issue in dispute are the pay increases for this unit comprised in 1999 of 14 Firefighters and 3 Lieutenants.

In January 1999, the City implemented a reorganization of its Fire Department. It eliminated the rank of Captain, a bargaining unit classification. The Fire Chief assigned the training and administrative duties of the Captains to the Deputy Chief. Previously, one Captain had retired. The City demoted the remaining Captain to Lieutenant and red circled his rate of pay.

With the elimination of the rank of Captain, the Lieutenants are the ranking officer in charge of a particular shift. The Department maintains three shifts. The firefighters work the standard California schedule amounting to 56 hours per week.

The Union requested and the parties engaged in bargaining over the impact of the reorganization. When they were unable to resolve the issues pertaining to the reorganization, the Union and the City agreed to address those issues in the context of their negotiations for an Agreement for calendar years 2000 and 2001.

As part of the reorganization, the Employer reduced the lunch period from an hour and a half to one hour and standby time by one hour through the establishment of a regular schedule of assignments that used that time. The Union addressed this change in hours in its wage demand. It made no demand during the course of negotiations leading to the impasse to be resolved in this arbitration proceeding for a change in hours of work or in the work schedule.

SUMMARY OF ISSUES IN DISPUTE

The Union Offer

The Union proposes increases every six months over the period of 2000 and 2001 as follows: 3%, 3%, 3%, and the last increase of 2%. The lift impact of the split increases raises Firefighter salaries by a little over 11% by July 1, 2001.

In addition, the Union proposes the placement of the Lieutenant classification at the third tier of the salary schedule at the Captain rate, an increase of approximately 5% effective January 1, 2000, and then the across-the-board increases of 3%, 3%, 3%, and 2% every six months from January 1, 2000 through July 1, 2001, be applied to what formerly was the Captain rate of pay.

The City Offer

The City proposes that the wage rates of Firefighters increase by 3.25% effective January 1, 2000 and by an additional 3% on January 1, 2001. The City proposes to place the Lieutenants at the 1999 Captain's wage tier under the expired agreement as the year 2000 increase for Lieutenants. This salary allocation generates an increase of approximately 5%. The monthly rates for Lieutenant increase from:

Start	One Year	Two Years	Three Years	Four Years	Five Years
2811	2826	2842	2857	2873	2893

to the 1999 Captain's rate as follows:

Start	One Year	Two Years	Three Years	Four Years	Five Years
2952	2967	2983	2998	3014	3034

Under the City offer, the Lieutenant rate (formerly the Captain rate) increases by 3% effective January 1, 2001.

The above wage issue is determined herein under the following statutory criteria.

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.

DISCUSSION

Introduction

The Union's final offer is premised on its claim for catch-up. To prevail it must establish that catch-up is necessary. Comparability assumes even greater importance in a setting in which the Union asserts a need for catch-up which the Employer denies.

In the Award that follows, the Arbitrator first addresses the nettlesome problem of identifying a pool of comparables appropriate to the City of Antigo. The Arbitrator then considers the external comparables to determine the appropriate salary levels and percentage wage increases suggested by this statutory factor. The Arbitrator then considers the internal comparability criterion and continues to apply the remaining statutory criteria concluding that analysis with the discussion of the criterion the Interest and Welfare of the Public. The Arbitrator then summarizes his findings and sets out the basis for his selection of the final offer for inclusion in the Agreement for calendar years 2000 and 2001. The Arbitrator refers to the arguments of the parties in the course of the analysis that follows.

Comparable Communities to Antigo

In the course of identifying the communities comparable to the City of Antigo to measure the wage rates of bargaining unit positions in the Fire Department, the Arbitrator looks to other communities with similarly organized fire departments, namely communities that employ full-time

firefighters. In *Town of Caledonia (Firefighters)*, Dec. No. 29551-A (10/99), this Arbitrator observed that:

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 employees 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.

Often geographic proximity of the comparable communities serves to identify a labor market for the community which is the subject of the arbitration. An important factor in determining comparability is the economic base, size, and vitality of the communities identified as comparable to the community which is the subject of the interest arbitration proceeding.

Both parties identify Merrill and Rhinelander as comparables to Antigo. The City suggests Rice Lake and Ashland as two additional comparables. In calendar year 2000, Antigo's Fire Department was staffed by 18 employees in the bargaining unit. By comparison, Rhinelander maintains 16 in its unit; Rice Lake 10, Merrill 21, and Ashland 19. In this case, Rice Lake does not serve as a viable comparable because the firefighters have not settled for calendar years 2000 and 2001. The Arbitrator does not make a final determination as to the appropriateness of Rice Lake serving as a comparable. It is located approximately 163 miles from Antigo. It does not meet the geographic proximity factor. On the other hand, the size of its economic base and the size of its department are similar to that of Antigo.

For its part, the Union proposes primary and secondary groupings of comparables. The group of primary comparables includes the following communities: Allouez, DePere, Marinette, Marshfield, Merrill, Oconto, Rhinelander, Stevens Point, Wausau, and Wisconsin Rapids. The Union includes the two communities identified by the City, Ashland and Rice Lake, as secondary comparables as well as the cities of Chippewa Falls, Kaukauna, Menomonee, and Sturgeon Bay. Of the ten communities it suggests as primary comparables, five are at least double the population and with the

addition of Allouez (a sixth), the equalized value of property is at least two and a half times that of Antigo. The equalized value of property in Antigo is a little over \$265 million and that of Allouez \$751 million. In addition, the communities of Allouez and DePere are immediately contiguous to the City of Green Bay. Both communities possess larger populations and a much larger industrial and commercial base than Antigo.

Stevens Point, Wausau, and Wisconsin Rapids are more urban in character. Their populations are over two to three times that of Antigo. However, the disparity in equalized value of property and taxes collected far exceed the economic resources of Antigo. The equalized value of property in the City of Wausau, the center of central Wisconsin communities for which one may identify a labor market, is \$1.7 billion. Wisconsin Rapids with a population of a little over double that of Antigo, nonetheless has an equalized value in property of \$839 million with a commercial and industrial (paper manufacturing) base. Similarly, Stevens Point with a population of just under three times that of Antigo has property with an equalized value of over one billion dollars. These much larger and economically vibrant communities are not comparable to Antigo.

In identifying comparables to Antigo, the Arbitrator attempts to identify communities with a rural character whose population and economic resources more closely approximate that of Antigo. Although Ashland is not geographically proximate to Antigo, it is a county seat of a rural county. Its population exceeds that of Antigo by only 100 persons. Its equalized value of property approximates that of Antigo at \$272 million.

The communities of Allouez and Kaukauna lie in the Green Bay labor market. Sturgeon Bay, with an economic base anchored in tourism and other industry, does not serve as a comparable to Antigo. The communities of Menomonee and Chippewa Falls fall in the Eau Claire labor market.

Ordinarily Shawano would serve as a comparable to Antigo. Shawano served as a comparable to Antigo in a law enforcement interest arbitration proceeding before Arbitrator Haferbecker in *City of Antigo (Police)*, Dec. No.

18614-A (10/81). Shawano is not a comparable in this case, because it does not operate a fire department staffed by full-time firefighters.

The City argues that Marinette should not serve as a comparable to Antigo. The City references the award of Arbitrator Michelstetter in *City of Marinette (Firefighters)*, Dec. No. 27642-A (4/94) who concluded that the distance between Antigo and Marinette was too great to establish comparability in his case.

The City's argument assumes the existence of a reflexive relationship among comparables. If Antigo has been excluded or does not serve as a comparable for a particular community, then the argument goes that community, for example, Marinette should not serve as a comparable to Antigo.

There are a number of reasons why one community is identified as a comparable for another, yet that other community would not serve as a comparable to the first community. In the *City of Marinette*, a number of comparables were suggested that were geographically more proximate to Marinette which were located in the greater Green Bay labor market.

In some cases there is a historical relationship between communities recognized by one community but not necessarily recognized by others as comparable. A comparison of one community to another for a particular group of employees may not be possible or appropriate. For example, Shawano is a comparable to Antigo for purposes of determining the wage rates for police officers of the City, the absence of a department staffed with full-time firefighters precludes the use of Shawano as a comparable in this case.

There are instances when parties do not suggest certain communities as comparable or they have some agreement to identify a community that may be much smaller or larger or geographically distant to serve as a comparable. Arbitrators frequently accept the communities agreed upon by parties as comparables. For all of these reasons, the Arbitrator concludes

that the mere fact that a community is not identified as a comparable in a particular interest arbitration proceeding or that the representatives of the parties in this case have not argued that Antigo is a comparable in some other case does not preclude the consideration of that other community as a comparable to Antigo, here.

If there is a labor market effect on wages in Antigo, that market would be in Wausau and the other central Wisconsin communities, Stevens Point, Wisconsin Rapids, and Marshfield, often considered as comparable to one another. The great disparity in population but especially in economic resources such as equalized value of property and taxes collected suggest that the central Wisconsin four do not serve as comparables to Antigo. The commuter patterns which normally suggest a labor market effect are not persuasive in this case. Eight hundred residents commute from Langlade to other counties. Of those, 300 commute to Marathon. However, 600 individuals commute to Langlade County, mostly from Shawano. The Arbitrator concludes that commuter patterns do not support a finding of a labor market effect from Wausau on Antigo.

Although the City of Oconto, at 4,826, has a much smaller population than Antigo, the equalized value of property of Oconto is slightly greater than that of Antigo at just under \$300 million. It too is a county seat of a rural county. Oconto maintains a full-time fire department staffed with seven bargaining unit employees. Ashland, which is located approximately 164 miles from Antigo, is rural in character and its population and economic base are extremely close to that of Antigo.

The City of Marinette, the county seat of a rural county with a population of approximately 12,000 and equalized value of just under \$600 million, is an appropriate comparable to Antigo. Geographic proximity, which is the basis for Arbitrator Michelstetter's rejection of Antigo as a comparable to Marinette, is not a substantial factor here. Marinette is located within 80 miles of Antigo. Oconto and Ashland are also located within approximately 80 miles of Antigo.

The Arbitrator has identified in the analysis above, five communities comparable to Antigo. Those are: Merrill and Rhinelander identified by both parties as appropriate comparables. In addition, Marinette and Oconto are comparable to Antigo. The Arbitrator includes Ashland in the comparability group to establish a minimum comparability pool of five, often noted by this Arbitrator as the minimum number necessary to establish a basis for a comparability analysis: *Marinette County (Sheriff's Department)*, Dec. No. 22910-A (Malamud, 4/86); *Langlade County*, Dec. No. 21806-A (Malamud, 3/95); *Oneida County (Public Health Department)*, Dec. No. 28021-A (Malamud, 1994). Although not geographically proximate to Antigo, Ashland's size and rural character support consideration of Ashland as a comparable to Antigo.

External Comparables

The five communities identified as comparable to Antigo in the discussion above have settled for calendar year 2000. As of November 2000, only Ashland and Marinette are comparables identified by the Arbitrator as appropriate in this case settled for calendar year 2001. Ashland settled for a 3% increase and Marinette for 2% in 2001.

Ten-Year Firefighter - Calendar Year 2000

In Chart #1, the Arbitrator lists the salary levels of Firefighters in the base year 1999 and the salary level generated by the increase in 2000. What is immediately apparent from a review of the salary levels paid by the comparables is the extraordinarily broad range of salaries among these five. The range extends from \$31,477 in Rhinelander to \$38,003 in Marinette. The average salary for a ten-year firefighter in calendar year 1999 was \$33,454.85. In 2000 it is \$34,546, an increase of 3.26%.

The Arbitrator measures the difference between the end rate that results from the split increases proposed by the Union in Chart #1 and in the analysis of that chart that follows. In 1999, the salary level of the ten-year Firefighter in Antigo was \$1,630.85 below that of the average paid by the comparables. Over the years, the City and the Union entered into voluntary

agreements that at this point in time place the Antigo Firefighter well below the average paid by the comparables. The Union is dissatisfied with that relationship and seeks to correct it through its final offer. For its part, the City argues that such a substantial change should not be made through interest arbitration, but rather should occur through negotiations, citing *Jackson County (Highway)*, Dec. No. 28802-A (Petrie, 4/97). Arbitrator Petrie observes that:

. . . an interest arbitrator operates as an extension of the parties' normal collective bargaining process, and his or her normal role is to attempt to put the parties into the same position they would have occupied but for their inability to reach complete agreement at the bargaining table. In doing so, he or she will normally closely review parties' past practices, their prior agreements, and their negotiations history (each of which fall well within the scope of Sec. 111.70(cm)(7)(j) of the Wisconsin Statutes) in the application of the other statutory criteria.

The Union argues that the City has paid substandard wage rates over an extended period of time.

The City's proposal increases wage rates by 3.25%, practically the same percentage increase in pay rates in 2000 as paid by the comparables to their ten-year firefighters. However, when the City's 3.25% increase is measured against the impact on salary levels of Antigo firefighters, the result is further movement below the average. In 1999 wage levels were \$1,630.85 below the average. In 2000, that increases to \$1,688 below the average.

Arbitrator Rice in *School District of Plymouth*, Dec. No. 26487-A (10/90) held that if an employer's offer does not cause a substantial drop in rank among comparables and the community in question is substantially in the same competitive position as it was in the past, he concluded that the employer need not make a greater effort to meet the statutory criterion of comparability. In *Vernon County (Highway)*, Dec. No. 28775-A (2/97), Arbitrator Dichter requires a change of circumstance to justify a catch-up demand.

The Union's final offer halves the amount below the average between the wage levels it proposes for the ten-year firefighter in Antigo in 2000 and the level of salary paid by the comparables. The analysis of arbitrators Rice and Dichter are appropriate where the disparity from the average is not as great in terms of absolute dollars. However, here, the disparity from the average is just under 5%, specifically 4.87%, below the average. This Arbitrator finds that the statutory scheme serves to drive wage levels towards the mean, particularly when wage levels are substantially above or below average, *Belmont Education Association*, Dec. No. 27200-A (Malamud, 10/92); *Racine County (Deputy Sheriffs Association)*, Dec. No. 27324-A (Malamud, 2/93). Although voluntary agreements of the parties placed salary levels in excess of \$1000 below the average, one party to that negotiation history may attempt to eliminate that large disparity.

The Union offer of 3% effective January 1 and an additional 3% on July 1, an offer costing 4.5% plus which lifts wage rates by 6% in the first year is preferred. It decreases the disparity from the average from \$1630 below the average to \$784 below the average. The City offer drives Antigo wage rates further from the average, albeit by \$58 in 2000.

Chart 1
10 Year Firefighter

CITY	1999	2000	2001
Ashland	29,680.82	31,930.	32,887.90
Marinette	37,258.18	38,003	38,763.06
Merrill	34,918.55	36,329.00	37,782.16 (projected)
Oconto	33,939.72	34,992.00	36,076.75 (projected)
Rhineland	30,292.20	31,477.00	32,704.60
Average	33454.85	34546	35643 (projected)
City of Antigo	31,824.	32,858	33,844
Antigo Union	31,824.	33,762	35,470
Diff. From Ave. City	-1,630.85	-1,688	
Diff. From Ave. Union	-1,630.85	-784	

Salary Level for Lieutenants Calendar Year 2000

Chart #2 lists the wage rates paid by comparables to Lieutenants. The average paid by comparable employers increased by 3.32% in 2000 over the salary level of 1999. The dollar amount of the increase was \$1,176.94. The salary level for Lieutenants in Antigo in 1999 was \$715.22 below the average. Under the City's offer, which is to place the Lieutenants at the Captain wage rate in 1999 as the salary level for Lieutenants in calendar year 2000, the wage rate of the top step Lieutenant would increase by \$1,128 from \$34,716 to \$35,844. The Union's offer lifts the Lieutenants' salary level by 11% in the first year; it generates an increase that amounts to \$3,909.24. The

Lieutenants would go from \$715.22 below the average in 1999 to \$2,017 above the average in 2000 under the Union's offer.

Chart 2

Lieutenant

Lieutenants	1999	2000	% increase
Ashland	32,110.78	33,074.08	
Marinette	40,208.75	41,012.93	
Marshfield	42,623	44,192	
Merrill	38,793.71	40,360.98	
Oconto	34,622.64	35,695.92	
Rhineland	31,420.20	32,896.92	
Average salary for Lt.	35,431.22	36,608.16	(3.32% increase, \$1,176.94)
City of Antigo	34,716	35,844.27	
Antigo Union	34,716	38,625.24	
Incr. For Lt. From 1999-2000 (City)		1,128.27	
Incr. For Lt. From 1999-2000 (Union)		3,909.24	

The Union maintains that these rates should be compared to the rate paid to the rank of Captain by the comparable departments, because Captains are the highest bargaining unit employees responsible for a shift in some of the comparable departments. Chart #3 represents the salaries paid by the comparables to the rank of Captain (or Lieutenant if that is the highest rank in the bargaining unit).

Chart 3
Captain

City	1999	2000	% increase
Ashland	32,932	35,164	
Marinette	40,208.75	41,013	
Merrill	38,793.71	40,361	
Oconto	35,375.40	36,472	
Rhinelander	32,860.20	34,405	
Average	36,234	37,483	increase of average 3.45% or \$1249
City of Antigo Lt.	34, 716; or 1518 below avg.	35, 844 or 1639 below avg	
Antigo Union Lt.	34, 716 or 1518 below avg.	1,142 above avg of Captains	

The Union offer for the 14 firefighters in the unit in 1999 cast forward into 2000 halves the disparity below the average in calendar year 2000, the first year of the successor Agreement. When viewed in isolation from 2001 and the impact of increases over both years, the Union offer is supported by the above record.

The Union offer causes a wide swing in the salary level of Lieutenants as compared to the salary levels paid by comparables to Lieutenants or Captains. The Union offer brings salary levels of the Lieutenants in the Antigo Fire Department from well below average to no less than \$1,142 above the average paid by comparable municipalities at the rank of Captain and \$2,017 above the average when compared to the salary level paid by comparables to the classification of Lieutenant.

The Union placed in evidence Exhibit IV-8 to establish the change in duties and responsibilities resulting from the elimination of the Captain

position and the assignment of some of the duties of the Captain to the Lieutenant. The responsibility for the assignment of work and lead responsibilities fall on the Lieutenant's shoulders as a result of the reorganization. Nonetheless, the Arbitrator can find no basis in this record to justify the enormous wage increases generated by the Union's wage demand at this classification. The excessive level of the wage demand is the product of the placement of the Lieutenants at the Captain's wage salary tier on January 1, 2000, and then on the same date implementing the across-the-board split wage increase over the course of calendar year 2000. The 11% lift with its \$3,909.24 increase in salary level is without any evidentiary support.

The Union's proposal, in this regard, is so out of line that even if the Marshfield Lieutenants were included in the calculation of the average, the wage increase proposed by the Union would go from \$1,913.85 below average in 1999, with the salary level of the Lieutenants in Antigo at \$34,716 as compared to the average paid by the comparables including Marshfield at \$36,629.85. In calendar year 2000, the wage level paid by the comparables increases by 3.39% or by \$1,242.29 to \$37,872.14 as contrasted to the salary level proposed by the Union at \$38,625.24 an amount which would place the Antigo Lieutenants at \$753.10 above the average in calendar year 2000, a swing of approximately \$2,666 in the course of one year.

Calendar Year 2001

With only two settlements in 2001 at Ashland and Marinette, it is impossible to carry out a comparability analysis required for the second year of a two-year agreement. In Chart #1, the Arbitrator projects the percentage increase received by each of the comparables in 2000 and projects that very same increase for 2001. Those wage rates were totaled by the Arbitrator and an average identified for 2001 at \$35,642.89. The Union's offer would bring the ten-year Firefighter in 2001 to a wage level of \$35,470.44 or \$172.45 below the average. The City's offer would bring the ten-year firefighter in 2001 to \$33,843.74 or \$1,799.15 below the average, continuing the slide away from the average.

The projections generated by the analysis for 2001 do not change the unreasonableness of the Union's demand at the Lieutenant classification. The salary levels of Lieutenants under the Union's offer in 2001 at \$40,579.68 would bring it to \$3,660.08 above the average, continuing its trend of bringing the salary level of Lieutenants to far above the average. The City's offer under this analysis would continue the slide from the average from \$763.90 in 2000 to \$1,171.46 below the average. However, the disparity above the average generated by the Union's offer far exceeds that of the City's slide below the average. Simply put, the wage levels generated by the Union's offer at the Lieutenant classification cannot be sustained by a need for catch-up or as a result of a change in duties and responsibilities. It is not sustainable on any level or for any reason.

Summary-Comparability

The disparity below the average for the ten-year Firefighter is halved as a result of the Union offer. The City maintains that a comparison of the Firefighters in Antigo as contrasted to the firefighters of the comparables is distorted because the certification level for of the Antigo Firefighter is at EMT- basic, and the certification levels of firefighters of the comparables are at higher levels including Paramedics. For example, in Ashland 16 of the personnel in this 19 person unit are certified as Paramedics.

The Arbitrator discounts that argument. The different EMT certification levels may be considered a wage premium for the additional certification. The City suggests that the comparison of Antigo Firefighters certified at the Basic level should not be compared to Firefighters with higher skill levels.

The higher certifications should be considered a premium. On the one hand, the value of the premium may be identified and discounted from the wage rates of the comparables at the firefighter or Lieutenant classifications. On the other the comparables afford their fire suppression personnel, the opportunity to earn wage premiums and improve their emergency medical skills. This opportunity is lacking in the Antigo Fire Department. The disparity in wage level when the premium for additional training is thrown

into the mix is offset by the non-existence of an opportunity in Antigo for firefighters to train and obtain higher premiums based on higher levels of EMT/Paramedic certification.

The Arbitrator gives little weight to the 2001 projections charted above. These are projections and nothing more. The second year of the Union's offer substantially increases salary levels of Firefighters and Lieutenants. The lack of an adequate record on which to base a full comparability analysis for half of the period in dispute, the second year of a successor Agreement, suggests that the Arbitrator accord this criterion less weight.

There are 14 firefighters impacted by the Union's preferred proposal for calendar year 2000 and only 3 Lieutenants are impacted by the Union's proposal (really, only 2 since one of the Lieutenants is the Captain demoted when the rank was eliminated and his rate was red circled). The extraordinary increases generated by the Union's offer at this classification outweigh the Union's fully supported and preferred proposal for catch-up at the firefighter classification. The Union has demonstrated the need for catch-up at the Firefighter classification. The City's offer is by far the more reasonable at the Lieutenant classification. The Arbitrator concludes that the City's offer at the Lieutenant's classification offsets the Union's offer at the Firefighter classification. Accordingly, the Arbitrator concludes that the external comparability criterion does not favor the selection of either final offer for inclusion in the successor Agreement.

Comparability - Settlements of Other Public Employees

The City introduced evidence relative to the settlement reached by Antigo teachers and the settlements of organized employees in Langlade County. The teacher settlement extends over the 2000-2001 school year and falls within the 3.8% qualified economic offer. In Langlade County, the Deputy Sheriffs and the County have not settled. The County proposes a 3.25% increase in 2000. The Union proposes 3.5% increases in each calendar year, 2000 and 2001. The Highway, Courthouse Nonprofessional, Courthouse Professional, and Correction/Dispatcher units all settled for

3.25% in calendar year 2000 with the Correction/Dispatchers receiving an additional 25 cent equity adjustment. None of the units are settled for calendar year 2001. The settlements more closely approximate the percentage increases offered by the City of Antigo than by the Local 1000, Antigo Firefighters. This element of the comparability criterion supports the adoption of the City's final offer for inclusion in the successor Agreement.

Cost-of-Living

The City notes that for non-metropolitan urban areas the CPI increase over calendar year 1999 averaged 2.46%. The total package cost of the City's final offer for 2000 is 4.12%. The Union's total package costs out at 5.91%. The City's final offer more closely approximates the cost-of-living increase.

The CPI increase for calendar year 2000 approximates 3.5%. The total package cost of the City's offer for 2001, 3.01%, more closely approximates the increase in the cost-of-living than the Union's total package which costs out at 5.28% for 2001.

Inasmuch as the Union comes to arbitration with a wage proposal in which it attempts to catch-up, it is not surprising that the CPI factor provides support for the adoption of the City's final offer. Nonetheless, that support for the City's offer is noted and considered by the Arbitrator in the determination of this case.

Overall Compensation

Neither the proposal of the City nor the Union attempts to make any modifications to the benefits received by Firefighters. A review of the schedule of benefits provided by the comparables and reflected in the Union's charts found at pp. 16 and 20 of its brief suggests the following. Firefighters in Antigo and in comparable departments are scheduled for 2922 hours. Antigo provides vacation hours that are the top among the comparables. Some of the comparables do not provide additional hours off; Antigo provides an additional 48 hours and Oconto provides another 156.54 hours off. The

City's holiday pay closely approximates the holiday pay of those comparables that provide that benefit, Rhinelander, Ashland, Merrill, and Oconto. The average holiday pay provided by these comparables amounts to \$1,497. Holiday pay in the City of Antigo is \$1,352.

Other benefits, such as uniform allowance and the premiums for EMT, rescue squad and paramedics are benefits that are not provided by the City of Antigo nor are they provided by most of the comparables. In the expired Agreement, the parties rolled longevity into the salary schedule. Most of the comparables do provide longevity. The benefits and premiums paid by comparable employers are roughly similar to those paid by the City of Antigo. This factor does not materially impact the outcome of this case. It does not serve to distinguish between the final offers of the parties.

Changes, Lawful Authority of the Employer and Stipulations of the Parties

These three Factors do not serve to distinguish between the final offers of the parties.

Such Other Factors - Internal Comparability

The Department of Public Works of the City of Antigo settled at 3.25% in 2000. It remains unsettled for calendar year 2001. The police unit settled a multi-year agreement at 3.25% in 2000, 2% in 2001, 2% in 2002, and 3.5% in 2003. The City argues that its offer of 3.25% increase in calendar year 2000 and 3% in 2001 is more in keeping with the internal pattern.

The Union argues that it comes to arbitration seeking catch-up. The comparison that should be given greater weight is the comparison of firefighter to firefighter in other communities rather than the internal pattern of settlement.

The Union argues that should the City offer be adopted Firefighters and the fire Lieutenants will fall further behind the wage rates of top Police officer and Police Lieutenants in the Police Department in the City of Antigo.

The City counters this argument. It notes that there has been no historic relationship established between wage rates of Police Officers and the Police Lieutenant and Firefighters and the fire Lieutenant in Antigo. There is no parity relationship between the top Firefighter and Police Officer. In calendar year 1991, the Police Officer wage level exceeded that of a Firefighter by \$1,164. In calendar year 1995, the disparity was as low as \$612. It varied from 1991 to 2001. Police Officers wage rates were higher than firefighters by varying amounts.

The disparity in the salary levels of Lieutenants in the Police and Fire Departments fluctuate over the 11 year period of 1991-2001 from \$1,188 in 1996 to \$3,360 in 1999. It is this disparity that suggests a basis for the Union's proposal for the enormous wage increase at the Lieutenant classification. A wage increase in excess of 16% over the two years of the successor Agreement at issue in this proceeding.

The Union not only seeks to close the gap between Firefighter and Police Officer, but it seeks to establish through this interest arbitration proceeding what has not existed for many years, some relationship in the wage levels of firefighters and police officers. Interest arbitration is not a substitute for collective bargaining in which relationships of one bargaining unit to another are established by the parties over time. It is one thing for a group of employees to argue that they should receive the same percentage increase as some other internal group of employees of an Employer. Here, the Union attempts to establish a wage relationship based on the salary levels paid to Police And Firefighter classifications. The parties have not established that relationship. The Arbitrator will not establish that relationship in this proceeding.

On the basis of the above analysis, the Arbitrator concludes that the internal comparability criterion supports the adoption of the City's final offer for inclusion in the successor Agreement.

Interest and Welfare of the Public

Between March 1999 and April 2000 eight of the department's fifteen firefighters left the employ of the Antigo Fire Department. Chief Kluck conducted exit interviews with each employee who left. City Exhibit 46 summarizes the reasons given by employees to Chief Kluck for leaving. One employee left due to wages and the ability to become a Paramedic in another department. Another employee left after four days on the job. He cited Antigo's lack of a dental plan and family reasons for his leaving. Of the eight who left, three moved to Green Bay. One of the three took a job with the Green Bay Fire Department. One employee was dismissed by the Antigo Fire Department. He accepted a position with the Eau Claire Fire Department. Three other employees moved to home towns in the Fox Valley or to Kenosha and were employed in fire suppression and emergency service in the areas to which they moved.

The City maintains that only two employees specifically referenced wages or benefits as the basis for leaving the Department. However, the data suggests a turnover rate of in excess of 40%, even excluding the one employee dismissed by the Department. The turnover rate suggests Antigo is a stepping stone to employment in other communities. Even if the Arbitrator were to limit the calculation of the turnover rate to the two employees who left the Department in the space of a year for better wages or benefits, the turnover rate would be 11%. An 11% turnover rate is very high; one that suggests the existence of a problem. The factor, the Interest and Welfare of the Public when applied to an employment setting with a turnover rate identified at 11%, two employees out of eighteen, or a higher rate, eight employees out of eighteen, provides strong support to a final offer that attempts to achieve catch-up to improve the wage levels of employees in the unit.

In a small department, it must be disruptive to see employees come and go. It is time consuming to employ and train new employees. In March 1999, four employees left the Department. Given this turnover rate, the Arbitrator does not believe that Chief Kluck heard all the reasons for

employees leaving the Department. It is the experience of this Arbitrator that salary and benefits play an important role in employee turnover. The roster of employees of the Department reveals that seven of fourteen firefighters were hired in calendar year 1999. Lieutenants are the only fire personnel hired prior to 1990. Only three firefighters were hired between 1991 and 1994. The high employee turnover rate provides substantial evidence that employees are using their feet to obtain better wages and benefits.

In the *Village of Greendale (Police Department)*, Dec. No. 29579-A (Malamud, 2/00), this Arbitrator found the departure of two employees during the term of an expired agreement to be the beginning of a turnover problem. Here, the relatively low seniority of almost all those in the Firefighter classification suggest a turnover problem that has been in place for some time. This criterion provides the strongest evidence that there is a need for a change, for catch-up. This factor provides strong support for the adoption of the Union's final offer.

Interest and Welfare of the Public-Financial Ability of the Community

Antigo has the lowest equalized value of property and economic resources to support a large increase as the one proposed here. The City does not claim an inability to pay. In addition, the reduction of the City's contribution to Wisconsin Retirement, particularly in 2001 lowers the cost of implementing either final offer. For this reason, this element of the Interest and Welfare of the Public criterion does not serve to distinguish between the final offers of the parties.

SELECTION OF THE FINAL OFFER

In the above discussion, the Arbitrator determined that the comparability criterion, the external comparables presents a complex picture. The proposal to increase the wage rates and salary levels of fourteen Firefighters is supported by the comparability data. The salary levels of the Antigo Firefighters are at a dollar level far below the average. The Union's

proposal, particularly in the second year, attempts to bring the firefighters to the average in the course of this agreement. The Union's proposal halves the disparity from the average in the first year of the agreement, calendar year 2000. An across-the-board single increase in the second year at 4% rather than one that lifts salary levels by 5% in the second year would have been preferred.

The City's offer continues to increase the disparity below the average of Firefighter salary levels. It only does so by approximately \$50 in calendar year 2000. However, it is the wrong direction for salary levels that are far below the average paid by comparable employers. When salary levels are considered together with the turnover rate, a compelling need is established for catch-up.

The Union attempts to obtain salary increases for Lieutenants far in excess of the levels warranted by the salaries paid by comparables to either Lieutenants or Captains. The Union's proposal takes the wage rates of three Lieutenants that are below average and propels those salary levels in excess of \$2,000 above average in calendar year 2000. The Union's split proposal will, in all likelihood, only exacerbate the problem of the Lieutenant salary levels in 2001.

In the base year, 1999, the wage differential between Firefighter and Lieutenant in Antigo was \$2892. Under the Union's proposal that differential increases to \$4863 (the Lieutenant end rate of \$38,625 as compared to the Firefighter rate in year 2000 under the Union's proposal \$33,762). In calendar year 2001, the differential increases to \$5115 (the Lieutenant's rate of \$40589 as compared to the Firefighter rate, under the Union's offer of \$35470). It simply is not justified.

Cost of living, internal comparability, and settlements of other public employers who employ employees in classifications other than the one at issue in the arbitration proceeding usually would not support a demand for catch-up. Where catch-up is established these three criteria are given little weight. These three criteria are accorded little weight at the Firefighter

classification, since the Union has established the need for catch-up at this classification. However, the three criteria are accorded full weight relative to the Union's proposed increase at the Lieutenant classification.

The Arbitrator finds the wage demand in the Union's final offer for Lieutenants in both years of the Agreement so out of line that he selects the City's final offer, even though the Union has established a need for catch-up among the fourteen Firefighters in the unit. The Union's proposal distorts the salary schedule. The wage differential between the Firefighter and Lieutenant classifications would be difficult to adjust, in the future. The turnover rate may continue with the selection of the City's offer. However, in the above discussion, the Arbitrator is not convinced that the Lieutenants have absorbed all of the duties and responsibilities of the Captain which the City reorganized and deleted from the Department's line of command. The deviation from the average at the Lieutenant classification is not as great as the disparity from the average at the Firefighter classification. The Union offer substantially overshoots the mark. It generates salary levels at the Lieutenant classification well above the average in calendar year 2000, by an amount that is greater than the salary level below the average in the base year 1999 (\$715 below the average to \$2017 above the average). The average differential between the highest ranking officer in the fire departments of the comparables and the top firefighter is \$3877 in calendar year 2000. The Union offer puts that differential at \$4863 in calendar year 2000. In the base year 1999, the differential was \$2892.

The distortion of the wage schedule precludes the selection of the Union's final offer. Hopefully, these remarks may be of assistance to the parties when they sit down to negotiate the successor to the 200-2001 Agreement. For the above reasons, the Arbitrator selects the City offer for inclusion in the successor Agreement.

On the basis of 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 City of Antigo which together with the stipulations of the parties, are to be included in the Collective Bargaining Agreement between the City of Antigo and the Antigo Firefighter Union, Local 1000, IAFF, AFL-CIO, for calendar years 2000 and 2001.

Dated at Madison, Wisconsin, this 18th day of May, 2001.

Sherwood Malamud
Arbitrator