

BEFORE THE ARBITRATOR

In the Matter of the Interest Arbitration between

VILLAGE OF GREENDALE

and

VILLAGE OF GREENDALE  
(FIRE DEPARTMENT, LOCAL 1777, IAFF)

Case 82  
No. 70834  
MIA-2990

[ Dec. No. 33924-A ]

Appearances:

Ms. Nancy L. Pirkey, Buelow Vetter Buikema Olson & Vliet, LLC, Attorneys at Law, 20855 Watertown Road, Suite 200, Waukesha, WI 53186, appearing on behalf of the Employer.

Mr. John B. Kiel, John B. Kiel Law Office, Attorney at Law, PO Box 147, 3300-252<sup>nd</sup> Avenue, Salem, WI 53168, appearing on behalf of the Union.

ARBITRATION AWARD

This is a final and binding interest arbitration proceeding pursuant to Section 111.77(4) (b) of the Wisconsin Municipal Employment Relations Act (MERA). Local 1777, International Association of Firefighters (hereinafter the “Union” or “Firefighters”) and the Village of Greendale (hereinafter the “Village” or “Employer”) were unsuccessful in their attempts to reach a voluntary agreement on the terms of a successor to their 2008-10 collective bargaining agreement. A petition was filed to initiate interest arbitration with the Wisconsin Employment Relations Commission (WERC). After an investigation and receipt of final offers on August 23, 2012, the WERC ordered the parties to proceed to final and binding arbitration to resolve the impasse. The parties selected the undersigned and the WERC issued an Order appointing the undersigned as the Arbitrator to issue a final and binding award by selecting either of the total final offers submitted by the parties during the investigation. A hearing in the matter was held on November 7, 2012. The parties presented oral and written evidence during the arbitration hearing. The parties submitted initial briefs on January 11, 2013. Reply briefs were exchanged on February 13, 2013. On February 14, 2013, the Village raised concerns about an alleged factual error in the Union's reply brief regarding a contract settlement for one of the Union's

proposed comparable municipalities. The undersigned notified the parties that the record would be kept open for the limited purpose of allowing the Union the opportunity to respond to the issue contained in the Village's February 14, 2013 letter. The Union filed a response on February 23, 2013, at which time the record was closed.

FINAL OFFERS OF THE PARTIES:

There are six (6) items remaining in dispute between the parties.

**A. DURATION.**

The Village is proposing a two year agreement, effective January 1, 2011 through December 31, 2012. The Union is proposing a three year agreement, effective January 1, 2011 through December 31, 2013.

**B. WAGE INCREASES.**

The respective wage increases included in the final offer of the Village and the Union are as follows:

<b>WAGE INCREASES</b>	
<b>VILLAGE FINAL OFFER</b>	<b>UNION FINAL OFFER</b>
<b>2011:</b> 1.00% across the board	<b>2011:</b> 1.00% across the board
<b>2012:</b> 0.00% across the board	<b>2012:</b> 0.00% across the board
<b>2013:</b> No offer	<b>2013:</b> 1/1 – 2.00% across the board 7/1 – 2.00% across the board

**C. HEALTH INSURANCE PREMIUM CONTRIBUTIONS.**

The parties' final offers on employee contributions for health insurance premiums are as follows:

<b>HEALTH INSURANCE PREMIUM CONTRIBUTIONS</b>	
<b>VILLAGE FINAL OFFER</b>	<b>UNION FINAL OFFER</b>
Effective 1/1/11, Village will pay 93% of premium cost of lowest cost eligible HMO (or lowest cost plan if no HMO's are available) offered in the service area.	Same as Village Offer
Effective 1/1/12, Village will pay the premium cost of the health insurance plan selected by the employee, but not to exceed 88% of the single or family premium.	Effective 1/1/12, Village will pay the premium cost of the health insurance plan selected by the employee, not to exceed 88% of the single or family premium <i>cost of the lowest eligible HMO (or the lowest cost plan if no HMO's are available) offered in the service area covering the Village.</i>

**D. PENSION CONTRIBUTIONS.**

The parties' final offers on Wisconsin Retirement System (WRS) contributions are as follows:

<b>PENSION CONTRIBUTIONS</b>	
<b>VILLAGE FINAL OFFER</b>	<b>UNION FINAL OFFER</b>
<u>Employees Hired Before July 1, 2011:</u> Village shall pay up to 8% of employee's share of pension contribution.	<u>Employees Hired Before July 1, 2011:</u> Village shall pay up to 8% of employee's share of pension contribution.  <i>Effective January 1, 2013, employees hired before July 1, 2011 shall pay the</i>

<b>PENSION CONTRIBUTIONS</b>	
<b>VILLAGE FINAL OFFER</b>	<b>UNION FINAL OFFER</b>
<u>Employees Hired on or After July 1, 2011:</u> Employees will be required to pay the full employee's share of WRS contribution rate.	<i>first 2% of the employee's share of pension cost.</i>  <u>Employees Hired on or After July 1, 2011:</u> Employees will be required to pay the full employee's share of WRS contribution rate <i>as long as it is required by Wisconsin state statutes.</i>

**E. HOLIDAYS.**

The parties have each proposed an additional holiday be added to the holiday schedule; however, there is a difference in the designation of the holiday being proposed as follows:

<b>HOLIDAY OFFERS</b>	
<b>VILLAGE FINAL OFFER</b>	<b>UNION FINAL OFFER</b>
Add one floating holiday to schedule (12 total workdays off in lieu of holidays)	Add Dr. Martin Luther King Day to holiday schedule (12 total workdays off in lieu of holidays)

**F. HAZARDOUS MATERIALS (Haz-Mat) PAY.**

The Village did not present an offer on this item and, therefore, proposes to maintain the status quo. The current contract language provides that an employee who is assigned to the Haz-Mat Team will be paid an allowance of \$200 per calendar year on the first pay period in December.

The Union's offer is to revise the contract language to read: "Any employee who is certified at the Hazardous Materials Operations level will receive an annual compensation of \$75 to be paid on the first check in December."

## BACKGROUND:

The Village of Greendale is located in the south suburban portion of Milwaukee County. The population of the Village is approximately 14,000 residents. Fire service is provided to Village residents through the operation of one fire station. There are 15 Firefighters on the seniority list. Three of the Firefighters hold Fire Lieutenant positions and all staff have hazardous materials certification. The parties have participated in four prior interest arbitration proceedings. In addition to the Firefighters, the Village has the following bargaining units: Police, Dispatchers and Public Works. The Village also has a group of non-represented employees.

## POSITIONS OF THE PARTIES:

A substantial record was created by the parties. The following is an overview of the primary positions of the parties. It does not completely summarize all arguments presented.

### VILLAGE:

#### Initial Brief:

The Village argues that the internal comparables strongly support its final offer. All of the internal comparable settlements cover the years 2011 and 2012 without any settlements for the year 2013. These internal settlements also provide a one percent increase over the two-year period from January 1, 2011 through December 31, 2012. The only difference in this pattern occurred with the Department of Public Works unit where a contract settlement was reached prior to the enactment of Wisconsin Acts 10 and 32. Citing a recent interest arbitration award from Arbitrator Milo Flaten, the Village noted that he had rejected the Union's final offer that included higher wage increases for deputy sheriffs than other employees because different wage rate increases can stimulate "begrudgement" on the part of the other employees.<sup>1</sup>

The Village points out that there is no dispute over the language for the 2011 health insurance contributions. In 2012 the Village's offer includes a premium payment for the plan selected by the employee but not to exceed 88% of the single or family premium for the lowest cost plan. The Village points out that the Union's offer adds language that restricts the Village to

---

<sup>1</sup> Sauk County Deputy Sheriffs, MIA-3017 (Flaten, 12/12).

offering an HMO plan. In adopting the Act 32, the legislature prohibited bargaining over the selection and design of the health insurance plans. The Village's language is simply intended to comply with the change in the bargaining law. The Village and Union final offers are essentially identical for 2012 since both require that the Village pay 88% of the single or family premium for the lowest cost plan offered by the Village.

The Village points out that the Union is proposing that the Firefighters contribute the first 2% of the employee share of WRS contributions in 2013. The Village's offer maintains the status quo for employees hired before July 1, 2011, with the Village paying up to 8% of the employees' share of the pension cost for the year 2012. The Village does not have an offer for 2013 and thus there is no comparison to be presented on this item.

In accordance with the change in the law, the parties have proposed that employees hired on or after July 1, 2011, be required to pay the employee share of the pension cost. The Village argues that the Union has two motives for proposing an employee contribution to WRS in 2013. The first motive is to justify its excessive proposal for a 4% wage increase for 2013. The second motive is to limit members to a 2% contribution for 2013.

The Union proposes that every employee certified at the hazardous materials operations level will receive annual compensation of \$75. The Village did not propose any changes to this portion of the contract. The current contract language provides that all members of the Haz-Mat team will be paid \$200 per calendar year. The Village eliminated its Haz-Mat team in 2009. All of the Firefighters are certified at the hazardous materials operation level. The Union proposal changes the status quo and would result in every employee being paid an additional \$75 per year above their salary. According to the Village this change does not have any justification.

The parties have both proposed adding one holiday to bring the total number of holidays to 12. The difference involves the designation of the holiday. The Union wants the day to be identified as Martin Luther King Day while the Village is proposing a floating holiday. The Village Police contract provides 12 holidays while the Public Works contract identifies 11 holidays. The Dispatchers receive 11 specific holidays per year. Martin Luther King Day is not one of the holidays specified in any of the contracts.

The Union identified at the hearing that the reason for this designation is that any employee who would terminate service after the Martin Luther King holiday would be paid for that holiday rather than receiving a proration of the holiday amount for the floating holiday. The

Union proposal in this area provides a greater benefit to the Firefighters than any of the other unit members and is not supported by the internal settlements.

The Village has no contracts settled for 2013. The Village's offer attempts to maintain internal consistency within the bargaining units through 2012. The Village argues that it should not be penalized by being forced to accept the Union's 2013 final offer because the Union chose to resist settling on terms equal to the remaining internal bargaining units. There is no internal support for the Union's proposal for a three-year contract.

The Village additionally argues that the Police settlement should carry the greatest weight in this proceeding. The Village notes that the Police Union has agreed to a settlement that is identical to the Village's final offer to the firefighters. This is particularly significant because the Police and Fire Units are protective services staff operating under the same statutory criteria. Citing arbitral authority, the Village points out that arbitrators have recognized the importance of maintaining equity between Police and Firefighter settlements. The commonality between the two employee classifications is recognized by employers in negotiations. Additionally it is common for employers to treat the two groups the same for salary and benefit purposes.<sup>2</sup> In this situation the Police Unit voluntarily settled with the Village which represents the Police Unit's view that they received a fair and equitable settlement. Also citing arbitral authority, the Village argues that the Village's final offer ensures internal consistency. The Village recognizes the importance of maintaining a level of internal consistency among employee groups.

In an award rendered after the adoption of Wisconsin Acts 10 and 32, Arbitrator Kossoff selected the employer's final offer in part because it was supported by internal comparables. In Douglas County Deputy Sheriff's, Dec. No. 33350-A, (1/12) Arbitrator Kossoff stated that internal comparisons were still valid even after the change in the law under Act 10. The Village cites comments made by numerous other arbitrators who speak to the importance of insuring fair and equitable treatment for employees and that inconsistent treatment can lead to low morale unless there is an identifiable reason to make the deviation. The Village's final offer regarding wages is consistent with the settlements for the Police Officers, Dispatchers and Non-Represented employees. The settlement for DPW employees is slightly higher but it is important to note that this occurred prior to the implementation of Acts 10 and Act 32. This discrepancy

---

<sup>2</sup> City of Cudahy Fire, Dec. No. 34034-A, (Torosian, 4/03).

will be corrected in the next period of negotiations. It is also important to note that the Village is proposing in its final offer that Firefighters pay the same health insurance premium contribution as that required by Police Officers, Dispatchers and Non-Represented employees.

The Village points out that the Union’s final offer is consistent with the Village’s final offer in many areas for 2011 and 2012. The Union’s final offer however, significantly deviates from internal settlements when considering a 4% increase in wages for 2013. In summary the Village argues there is no justification for the Union’s final offer on wages, WRS contributions or contract duration.

The Village also argues that the comparable pool it proposes is most appropriate and should be adopted in this matter. The comparable municipalities proposed by the Village and the Union are as follows:

<b>Village’s Proposed Comparable Pool</b>	<b>Union’s Proposed Comparable Pool</b>
Cudahy	Cudahy
Franklin	Franklin
Greenfield	Greenfield
Oak Creek	Oak Creek
St. Francis	St. Francis
South Milwaukee	South Milwaukee
	North Shore
	Waukesha
	Wauwatosa
	West Allis

The Village argues that the Union has justified its comparable pool proposal through arbitration decisions that were rendered 24, 29, and 35 years ago. This approach is inappropriate and ignores the most recent interest arbitration award which was rendered in 2003 by Arbitrator Krinsky. Arbitrator Krinsky noted that the parties agreed with the six area municipalities which are contained in the Village proposed comparable pool. The Village argues that there have been no significant changes that would warrant a modification of the previously agreed upon municipalities. The Village also identifies that the municipalities proposed by the Union are considerably larger than the Village of Greendale. Further, the population, size, location, and staffing of the fire stations for the North Shore, Waukesha, Wauwatosa, and West Allis Fire



Departments are supportive of the Village's position that they are not in any way comparable to the Greendale Fire Department.

Citing arbitral authority, the Village argues that arbitrators will exclude municipalities from a comparable pool that are much larger. Greendale has a population of 13,970 individuals based upon the 2010 census. The North Shore area is comprised of six municipalities and the population is over four times the size of Greendale. The population of the City of Waukesha is more than five times the size of the Village of Greendale. The City of Wauwatosa is more than three times the size of the Village of Greendale. The City of West Allis is more than four times the size of the Village of Greendale. All of these municipalities have multiple fire stations while the Village has one fire station. The Village also argues that the Union did not introduce any persuasive evidence that would warrant a change in the comparable pool that the parties agreed to in their last interest arbitration proceeding with Arbitrator Krinsky.

The Village also asserts that its offer is more reasonable when considering external comparables. The Village has maintained a ranking of four within the comparable group adopted in the prior interest arbitration with Arbitrator Krinsky. This ranking is maintained through both the 2011 and 2012 offers submitted by both parties. The Union attempts to show that the Firefighters are not paid as well as their comparables because they do not receive pay for driver/operator duties. The Village argues that this argument is misplaced because four municipalities offering driver/operator pay are the four that the Village has shown are not comparable to Greendale.

The Union has submitted exhibits that represent an analysis of the effective insurance and pension on the wage level of the Firefighters' salary. This does not track the impact of these two items on other comparable groups. It also does not consider the impact that insurance and pension contributions have had for all other municipal employees as a result of the implementation of Acts 10 and 32. The decrease in take home pay is wide spread among municipal employees in Wisconsin.

The Village also argues that its final offer is supported by settlements in the external comparable pool. The Village settlements have exceeded the average of the comparables in 2007, 2008, 2009 and 2010. Three of the six comparable communities agreed to a wage freeze for 2012 which is the same as the Village's final offer. The remaining three comparable communities did offer a wage increase in 2012 but those wage increases were provided in

exchange for WRS contributions. Under both the Village and Union final offers, Firefighters will receive a higher wage increase over a six-year period than five of its comparables.

The Union's pension contribution proposed for 2013 is not supported by the external comparables. The Union has presented an offer in which the Firefighters would be required to contribute the first 2% of the employee share of WRS effective January 1, 2013. It is important to note that this offer provides for a lower contribution than that being required by any of the other recently settled municipalities. The municipalities not requiring WRS contributions are those that were settled prior to the enactment of Acts 10 and 32. The differences between wage increases compared to required WRS contributions shows that the Union's final offer which includes a 4% wage increase in exchange for a 2% WRS contribution is out of line with external comparables even though the wage offer includes split increases.

The health insurance premium contributions in both parties' final offers are consistent with the external comparables. There is no dispute in this area.

The Union's Haz-Mat pay proposal is not supported by the external comparables. The Village argues that the current collective bargaining agreement has language that provides \$200 per calendar year to any member of the Haz-Mat team. As noted earlier the Haz-Mat team was discontinued in 2009 thus no employee is currently receiving Haz-Mat pay. The Union is proposing to change the status quo and provide \$75 per year to all employees who are certified at that level. Five of the six external comparables have no Haz-Mat pay provision. One of the comparables provides monthly compensation to individuals who are active on the Haz-Mat team.

The Village's holiday offer is generous when compared to the holiday benefit received by comparable employers. The Village and Union have agreed that 12 holidays will be provided. Only one of the comparables provides 13 holidays and only one of the comparables matches the 12 day holiday benefit. The other comparables holiday totals range from 10 to 11. The difference noted previously is the Union has proposed designating Martin Luther King Day while the Village proposes that the additional holiday will be a floating holiday. None of the comparables designate Martin Luther King Day as a holiday.

The Union's final offer is not supported by recent interest arbitration cases. In City of Mequon Police, Decision No. 33350-A, Hempe, 11/15/12, the issues in dispute were duration, wages, health insurance and WRS contributions. Arbitrator Hempe awarded the City's final offer which provided a total of 6% in wage increases over two years in exchange for full

payment (6.65%) of the employee share of WRS. The Arbitrator rejected the Union's offer of 8% in wage increases in exchange for 5.9% in WRS contributions over three years. Arbitrator Hempe based his decision primarily on internal consistency between the Police Officers and other municipal employees in the City. In this dispute the Union's final offer for 2013 provides a 4% wage increase in exchange for a 2% WRS contribution. The Village argues that this is unfair and inequitable when compared to other municipal employees in Greendale.

In the second interest arbitration case involving WRS contributions, Sauk County Sheriff's Department Sworn Employees, Dec. No. MIA-3017, Flaten, 12/12, there were four issues in dispute, wages, WRS contributions, sick leave payout, and contract duration. Arbitrator Flaten awarded the County's final offer which provided a total 4% wage increase in exchange for a 4% WRS contribution over a two-year period rejecting the Union's final offer of a 10% wage increase in exchange for a 6% WRS contribution over a three-year period. Arbitrator Flaten identified the inequities to other municipal employees in the County if the Union's final offer was awarded.

In both of these cases the arbitrator awarded the employer's final offer which matched the wage increases to the WRS contributions over the duration of the contract. Here the Village argues that the Union has asked for double the wage increase to its WRS contribution.

The Village also argues that the Union's final offer does not consider the current economic conditions. The Village contests some of the financial analysis provided in Union Exhibit 22 but believes it is important to also point out the Village has not claimed an inability to pay with respect to this dispute. The Village's financial condition is similar to other municipalities throughout the State of Wisconsin. As with other municipalities, the Village has experienced uncertainty about the future, the extent of a financial recovery, as well as uncertainty about future funding opportunities and limitations. It is in the best interest of the public for the Village to closely monitor its fiscal responsibilities and be prudent about its expenditures. The Village points out that even though the Village is fiscally responsible it does not mean that the Union's excessive wage offer for 2013 should be awarded. The statutory criteria mandate that the arbitrator give specific consideration and weight to current economic conditions. In doing this the final offer the Village should be adopted based upon the economic climate and continued uncertainty surrounding the economy.

The Village also argues that the Firefighters receive a very competitive benefit package. All of the comparable employers offer a sick leave accumulation and payout benefit. While there are differences in the accumulation allowances and payout benefits, the Greendale benefit is very generous. Also regarding vacation, the Village is in a strong position. All of the comparable jurisdictions have a longevity pay provision. Two pay less per month at the maximum of 25 years and one of the comparables exceeds the amount paid by Greendale. The Village offers a slightly better than average benefit on longevity. The Village points out that Greendale provides more holidays than most of the comparables. Regarding WRS contributions, the Village provides a very attractive benefit for the Firefighters especially when compared to the external comparables.

The Village pays 100% of the premium for life insurance. Only three other comparables pay 100% of the premium. Three of the comparables pay lesser amounts for a period of time. Regarding uniform allowance, there are only two municipalities which have a larger uniform allowance than Greendale. The remaining municipalities have a less attractive uniform allowance benefit than the Village Firefighters.

The Village Firefighters who chose not to enroll in health insurance can receive an opt-out payment. The Village points out that three of the comparables have no opt-out benefit provision. The \$2,000 per year amount provided by the Village is generous when compared to the three comparables that have an opt-out benefit. The Village and comparables provide retiree health insurance payments. The percentages contributed by the various employers vary and some are restricted based upon the time of retirement, participation with HSA, etc. The Village provides 75% of the premium amount which is very competitive and generous. All of the above benefits discussed provide proof that the Village of Greendale provides a competitive benefit package to its employees.

The cumulative wage increases received by the Greendale Firefighters exceed the increase in the Consumer Price Index (CPI). The CPI has fluctuated quite a bit from 2007 through 2011. The Firefighters have received wage increases that exceed the increase in the CPI over the past six years. The Firefighters are keeping pace with the cost of living and exceeding the majority of comparable municipalities in wage increases.

The Village submits that its final offer is the most reasonable when considering all of the comparisons and data regardless of whether internal or external comparables are considered. The Village requests that the Arbitrator incorporate its final offer into the successor collective bargaining agreement.

UNION:

Initial Brief:

The Union points out that the Statutes require that an arbitrator give greater weight to the economic conditions in the jurisdiction of the municipal employer than other factors. The Union argues that when this factor is considered the Union's final offer is supported more so than the Village's final offer. The Union analyzes several economic components to support its position. According to the Union when per capita equalized value of all taxable property is considered, Greendale residents compare favorably to their suburban Milwaukee County neighbors. Union Exhibits 28, 29 and 30 support this contention as Greendale is near the middle of the pool.

The Union also argues that the Wisconsin Adjusted Gross Income (WAGI) shows that Greendale residents compare favorably to their suburban Milwaukee County counterparts. Union Exhibits 28, 29 and 30 demonstrate this relationship. Additionally, the Union argues that Greendale's median home value and median household income compare favorably to its suburban counterparts. This relationship is demonstrated by Union Exhibit 23.

The Union also argues that this favorable economic situation even improves more when the comparable pool is narrowed to the south suburban group which was favored by the Village. The Wisconsin Department of Revenue shows Greendale's condition is improving in relationship to its south suburban neighbors when considering per capita equalized value of all taxable property. These figures show that Greendale residents fared better during the recession by maintaining more favorable property values. Greendale moved from the third position among the south suburban comparables in 2009 to second in 2010 and 2011. The Village remained ahead of the average of the comparable pool by 16% to 18% in 2010 and 2011. Additionally the Union argues that in 2009, 2010 and 2011 Greendale residents reported the second highest adjusted gross income among the south suburban comparables.

When considering the median home value and median household income of Greendale residents to the south suburban comparable pool proposed by the Village, it becomes clearer that the Greendale residents are more affluent than their neighbors. Therefore, Greendale's local economic conditions favor the Union's final offer. The Union also argues that the general fund assets and liabilities trend also support a conclusion that the Village is financially viable. During the period of time from 2007 to 2010 the Village maintained a positive asset to liability ratio.

In summary, when all of these positive economic indicators are assessed, the evidence shows that the Village has fared better than other suburban Milwaukee communities during the recent recession. When considering the economic stability of the Village, it becomes obvious that the Employer has the ability to meet the Union's final offer with very little trouble. Further, when all of the local economic conditions are considered, the Union argues that its final offer is more favorable and supported by the factor that should receive greater weight.

The Union also argues that it has proposed the more appropriate pool of comparables. The Union acknowledges that the parties had agreed that the south suburban communities of Cudahy, Franklin, Greenfield, Oak Creek, St. Francis, and South Milwaukee, were comparable to Greendale. This pool was adopted by Arbitrator Krinsky in City of Greendale (Fire Department), Dec. No. 30432-A (Krinsky, 1/03). The Union also argues that in addition to these communities Waukesha, Wauwatosa, West Allis and the combined fire department of the North Shore communities, should also be included in the comparable pool. These jurisdictions were used in a 1977 interest arbitration proceeding between the parties Village of Greendale (Fire Department), Dec. No. 15363-A (Graham, 6/77). In this decision Arbitrator Graham compared the tax situation of the communities to conclude that the tax burden of Greendale taxpayers was increasing relative to other communities in the area.

In a 1983 interest arbitration dispute, the parties relied upon the comparable pool proposed by the Union in the current case, Village of Greendale (Fire Department), Dec. No. 20436-A (Michelstetter, 7/83). In this dispute the Village argued that the group of comparable communities should not be limited merely to south side communities. In 1988 the Village once again relied upon Waukesha, West Allis, and Wauwatosa, and the North Shore communities in an interest arbitration dispute before Arbitrator Gundermann, Village of Greendale (Fire Department), Dec. No. 25400-A (10/88). In Village of Greendale (Law Enforcement), Dec. No. 29632-A (Malamud, 2/00) the Village relied on broader pools in other disputes with other

Village bargaining units. The Union argues that the Village is engaging in a form of “comparable shopping” by proposing to limit the comparable pool to south side communities. The Union argues and points to other arbitration decisions in which arbitrators have cautioned against modifying intra-industry comparables previously used merely because of one party’s preference for a particular set of comparisons. Clearly the comparable pool proposed by the Union has been used by the parties in the past. The Union argues that adopting its position regarding this issue would help promote stability in the parties’ bargaining relationship. West Allis, Wauwatosa, Waukesha and the combined North Shore Fire Department provide similar services as in Greendale. Firefighters have similar types of responsibility. The communities are geographically proximate and are of a similar size. In summary, the clearest evidence of the appropriateness of their inclusion is supported by the historical use of the Village.

The Union also argues that its position regarding duration is the most reasonable and should be adopted by the Arbitrator. By adopting the Union’s final offer the parties would have a viable labor contract through 2013. Adopting the Village’s proposal would result in a contract that expired on December 31, 2012. This would send the parties right back to negotiations. The Union argues that this is unreasonable particularly when the terms of both final offers are considered. Within the first year of the agreement the Union has agreed to reduce the Employer’s health insurance obligation from 100% of premium to 93% of premium in 2011. The Union further agrees to reduce the Employer’s obligation to 88% of premium in 2012. The economics of health insurance are not an issue in this proceeding. Even though the parties propose different language regarding the health insurance benefit it does not appear that this difference has a substantial impact on the Village’s ability to meet insurance obligations. The language differences regarding health insurance do not favor the shorter term contained in the Employer’s final offer.

The Wisconsin Retirement System contribution differences do not support the Village’s shorter term contract proposal. The Union also asserts that the economic impact of the holiday offers by both parties is substantially equivalent. The only difference is in the way the holiday will be identified. The Village proposes a “floating” holiday while the Union proposes a specific designation of Martin Luther King Day. This difference only comes into play depending upon termination or retirement. The Union proposal treats the additional holiday like the others within the contract.

In summary the Union believes that the longer term contract provision is more supportable. Citing numerous arbitrators who speak to the greater stability provided in collective bargaining for longer term contracts, the Union argues that its proposal is more favorable.

The Union additionally argues that its wage offer is very reasonable particularly in light of the concessions the Union has made regarding health insurance and WRS contributions. Village Exhibit 9 shows that Firefighters are paid at the middle of the comparable pool when compared to other south suburban communities. When considering the mean and median, Greendale firefighters will receive a base wage valued at only 94% of the mean and 91% of the median under the final offer. This represents a comparative decline of 2% in the mean and a 3% decline in the median over the period 2010 to 2012. When the additional comparable group is considered, the Greendale Firefighters lose ground in comparison by dropping off an additional 1% from the mean and an additional 3% from the median. When the south suburban comparable pool proposed by the Village is considered, the Greendale Firefighters lag behind the mean increases by 4% and behind the median increases by 3% at the end 2012. This analysis is summarized in Union Exhibits 9, 10, and 11.

In addition to wages, the Union's agreement to pick up a larger share of health insurance costs leaves the Village in a more favorable position in relation to the south suburban neighbors. In fact, the Village's own exhibits reveal that the Firefighters fall behind their counterparts under either final offer. Regarding WRS contributions, the Union argues that Firefighters in four of the six south suburban comparables (Greenfield, Oak Creek, St. Francis, and South Milwaukee) contribute to WRS. The Union's proposal is consistent with that trend. In summary, the Union argues that the above information supports the Union's final offer to include a third year and should be adopted.

The Union also argues that its proposal regarding Haz-Mat pay is more reasonable. The Village and Union had agreed to specialty team pay. The specialty pay was provided for the hazardous materials and confined space teams. The Union had agreed to accept a lower across-the-board wage increase in response to the Village's agreement to provide this specialty team compensation. When this was negotiated, the DPW contract included a 2.9% increase while the Firefighter contract increased by 2.5%. The Firefighters received \$200 per year for serving on the Hazardous Materials Team. In 2010 the Village eliminated the Haz-Mat Team and stopped premium payment to former members. The Village however continued to respond to hazardous



materials incidents. Rather than creating a specialized team in 2010, the Village required all members to become certified as Haz-Mat Operations level staff. In response to these events the Union has created a proposal to pay each member certified at the Hazardous Materials Operation level \$75 per year. The Village proposes to continue the provision providing compensation to team members even though the Hazardous Materials Response Team does not exist. This action is unreasonable and the Union's offer should prevail.

The Union argues that the parties should not be sent back to bargaining immediately upon the conclusion of this proceeding. The Union has made numerous concessions that are consistent with changes adopted through other comparable jurisdictions. The Village's local economic conditions provide no reason to deny the Union a contract that includes a third year as proposed. For the reasons cited above, the Union requests that the Arbitrator adopt the Union's final offer.

#### REPLY BRIEFS:

##### Village

The Village argues that the Union totally and incorrectly ignores the internal settlements. In its initial brief the Union has not acknowledged that the Village has other bargaining units in which settlements exist for 2011 and 2012. Charts and data that were submitted prove that the internal employee groups were treated consistently regarding wages, health insurance, and duration of agreement. This consistent treatment of Village employees is very important as it dramatically impacts morale. The Village's final offer is consistent with those agreements and should be adopted.

The most comparable internal group is the Police Officers. The Village and Police Union settled on identical wage increases; an identical final offer on health insurance (Village to pay 93% of premium in 2011 and 88% of premium in 2012; and identical duration, 2 years 1/1/11 – 12/31/12); and an identical final offer to maintain the status quo on pension contributions for employees hired prior to 7/1/11. The Village has also included in its final offer an identical change to the number of holidays as that received by the Police Officers (12 days).

The Village also argues that interest arbitration awards issued after Acts 10 and 32 were adopted support providing significant weight to internal settlements. The Village points to

Douglas County Sheriff's Department, Dec. No. 33350-A, in which Arbitrator Kossoff provided greater weight to internal comparables even though external comparables favored the Union's position. Arbitrator Hempe reached a similar conclusion in City of Mequon, Dec. No. 33818-A (11/12). Arbitrator Flaten in Sauk County Sheriff's, Dec. No. 33811-A (12/12) pointed out that the Employer's offer appeared to avoid great resentments among its employees and employee morale problems. The Village points out that while unions have argued that internal comparables should carry no weight in interest arbitration proceedings as noted above the arbitrators in the limited number of cases decided after the adoption of Acts 10 and 32 have concluded that internal consistency to maintain morale and labor peace remains important. In this case the Union completely ignores internal settlements with other bargaining units in the Village. In summary, the Village contends that its final offer incorporates all of the elements agreed to by the internal bargaining units especially the 2011-12 settlement with the Police Officers and is therefore the most reasonable offer.

The Village also argues that the pool of external comparables has been established and should be maintained through the Krinsky decision, Village of Greendale (Firefighters), Dec. No. 30432-A (2/03). Arbitrator Krinsky noted:

The parties are in agreement that six other area municipalities are appropriate to use for making comparisons with conditions in Greendale: Cudahy, Franklin, Greenfield, Oak Creek, St. Francis, and South Milwaukee. They disagree about the appropriateness of Hales Corners as a comparable.

The Arbitrator is persuaded by the Association's arguments that Hales Corners should not be used as a comparable.

Older decisions cited by the Union were present prior to the 2003 dispute. The parties however agreed upon the group relied upon by the Village in this current dispute. The Union argues in its brief that the Village is "comparable shopping". Actually the Union is the group that is doing "comparable shopping" by ignoring the agreed upon pool from the last interest arbitration in 2003. The Village also argues that it is well established that the parties requesting a change in a comparable pool carry the burden of justifying the reasons for this difference. In this dispute the Union does not justify its position nor does it provide strong reasons or establish a proven need for the change in the established pool. Rather the Union merely rehashes all of the arguments and factors used in the outdated decisions from 24 to 35 years old. The Union

adds larger municipalities to their pool which have higher wage rates for their firefighters which is an attempt to justify its excessive final offer in the third year. The Village argues in summary that there is no evidence to support a change in the established comparable pool and that the pool relied upon by Arbitrator Krinsky and supported by the Village should be adopted.

Regarding wages, the Village identifies that the final offers of the Village and the Union are identical for 2011 and 2012. The Village and the Union have each included wage offers of 1% for 2011 and 0.0% for 2012. These wage offers are identical to the internal settlements the Village has reached with other bargaining units, in particular the Police Officers. The Union's final offer on wages for 2013 is excessive. The Village also points out that the Union has attempted to justify its salary offer for 2013 by using non-comparable municipalities in support.

The Village also points out that the Union adds uniform allowance and longevity payments to base wage comparisons which serves to distort the evidence and make the Village look worse in the comparable pool. Exhibits submitted by the Village show that four of the comparable departments offer less in uniform allowance than Greendale while two have a higher uniform allowance. Regarding longevity, two of the departments offer less in longevity payments than Greendale and one offers more in longevity payments. The remaining departments offer the same longevity allowance as offered by Greendale. Village Exhibit 9 demonstrates that Greendale Firefighters are paid competitively when compared to external comparables and the wage offers of both parties will not alter that fact. The Village also points out that Union exhibits address wage rates in total compensation for 2011 and 2012 however the Union does not provide any charts or analysis of the wage rates in comparable municipalities for 2013. The Union's charts on wages and total compensation do not demonstrate which final offer is more reasonable since the offers for 2011 and 2012 are identical. The Village also argues that the Union's 2013 final offer is excessive when considering both the wage offer and the WRS contribution offer.

The Union is proposing a 2% increase on 1-1-13 and another 2% increase on 7-1-13. This level of wage increase has not been provided to any of the comparable municipalities which have settled for 2013 other than Greenfield where employees will pay the employees full share of the WRS contribution rate. Four comparable communities have settled contracts for 2013. In each instance the employees are contributing 6.65% which is the full employee share to WRS which certainly offsets the wage increases that had been agreed to by those parties. In the

current dispute the Union's justification for their proposed percentage is that it is willing to contribute 2% towards WRS beginning in 2013. This low contribution level is not supported by external comparables.

In summary, the Union's 2013 offer on duration, wages, and WRS contributions would only widen the gap between all of the Village's internal comparable groups and the Firefighters. It would also widen the gap between the Greendale Firefighter's compensation compared to all of its external comparables.

The Village additionally argues that arbitration awards should not exceed wages or benefits which would not have been obtained through negotiations. The Village points out that the Union is simply wrong when it claims its final offer would have been agreed to through negotiations. The Union's final offer is not one which would have been agreed to at bargaining as evidenced by the internal and external comparables. Citing several arbitration decisions, the Village identifies that arbitrators need to be careful about not awarding through interest arbitration a benefit or improvement which a party could not achieve through negotiations. Additionally, the arbitration process should determine what is fair and equitable. The Union's offer for 2013 on wages and WRS is excessive when compared to all of the internal and external settlements.

The Village argues that the Union's proposal on duration is self-serving and unacceptable. The Village points out that the Union actually "dragged its feet" and refused to settle with the Village in a timely manner. The delay occurred despite other internal settlements. Now at this time the Union has decided it should have a three-year contract so it does not have to bargain in 2013. The Village asserts that this justification for the three-year agreement is disingenuous on the part of the Union. The Union is actually trying to get something that it could not obtain through negotiations which is a guarantee that the WRS contributions would be limited to the first 2% of the employee share. The external settlement trend reflects that employees are assuming responsibility for the 6.65% WRS contribution amount while accepting less than that in wage increases. In this dispute the Union's final offer is excessive as it seeks double the wage increase to its percentage contribution to WRS.

In summary, the Village has submitted an offer with the two year duration for two reasons. First, all of the internal settlements are for the years 2011 and 2012 with no settlements for the year 2013. Second, the Village has not yet determined what level of wage and benefits it

will be in a position to offer to all Village employee groups for 2013. The Village's offer on a two-year agreement maintains internal consistency.

The Village argues that the Union's Haz-Mat pay proposal is not supported by the comparables. The current contract has a provision which provides \$200 annually to Firefighters assigned to the Haz-Mat Team. The Union proposal provides \$75 in annual compensation for each member of the Firefighters unit who is certified in hazardous materials operations. The Village's final offer maintains the status quo and provides compensation should the Haz-Mat Team be reinstated. The Union now demands a concomitant benefit to replace the \$200 stipend which was received by Haz-Mat Team members up until 2010. The City's position is even if a concomitant benefit were required that would be more than covered by the Village's agreement to provide an additional holiday. The Village argues that it is not obligated to provide a concomitant benefit or a *quid pro quo* since it is the Union that is attempting to change the status quo. Compensation for Haz-Mat certification is not a practice or benefit provided by the comparable municipalities. Village Exhibit 13 demonstrates that only one municipality, Franklin, provides Haz-Mat compensation to its firefighters.

The Village also notes that the Union has returned to an earlier argument relating to a wage reduction of .25% in lieu of Haz-Mat Team compensation. The Union voluntarily gave up an extra .25% in a wage increase for Haz-Mat Team pay. In 2003 the parties went to interest arbitration and the Union's final offer included an extra .25% in a wage increase over the Village's final offer. Arbitrator Krinsky rejected the Union argument because they voluntarily agreed to accept a lesser wage rate in lieu of receiving payment for Haz-Mat Team membership. The Union is proposing a change in the status quo while the Village is proposing that the existing language continue. The Union has not demonstrated a need for a change nor provided a *quid pro quo* for the proposed change. It is also important to consider that Greendale Firefighters have already been compensated for any time spent becoming certified in Haz-Mat Operations. If a concomitant benefit was determined to be necessary the additional holiday contained in the final offer has a value that exceeds the value of the \$75 payment being proposed by the Union.

The Village additionally argues that the Union's economic conditions argument is irrelevant and not persuasive. The Union is correct in its statement that Section 111.77(6)(am), Wis. Stats., provides that the arbitrator shall give greater weight to the economic conditions in the jurisdiction of the municipal employer. The Union proceeds to ignore the economic

conditions in Greendale and instead focuses on the economic conditions in other jurisdiction it deems to be comparable. The Village is not making an inability to pay argument so the value of this argument is greatly diminished. Further, the Union relies on the financial conditions in municipalities which are not comparable to the Village. The pool adopted by Arbitrator Krinsky in the most recent interest arbitration award includes the proper pool to consider. Therefore all of the Union information relating to North Shore communities, Waukesha, West Allis, and Wauwatosa is not relevant. The Village continues to object to the inclusion of economic comparisons with comparable municipalities keeping in mind the actual wording of Section 111.77(6)(am), Wis. Stats., provides that the arbitrator give “greater weight to the economic conditions of the jurisdiction of the municipal employer”. The Village also points out that even if the municipal economic comparisons were deemed to be relevant this data should be further scrutinized. The full value per capita comparison only establishes the value of property values and does not prove that citizens are willing or able to pay more toward employee wages and benefits than other comparable jurisdictions. The Wisconsin Adjusted Gross Income (WAGI) tax return data does not show that residents of Greendale are earning more than residents of other comparable communities and therefore could provide better pay and benefits to the Firefighters. A closer analysis of the WAGI data shows that Greendale actually shows a net reduction in income. Further, the median home value and median household income data only identifies income levels and home values of residents. It does not promote a conclusion that communities with higher home values or higher household income should be obligated to pay more for wages and benefits for Firefighters. Purchases made by residents do not occur on a sliding scale corresponding to home values or income levels. The Village further points out that in considering economic conditions, it did not claim inability to pay. The Village has emphasized its position that all of the internal comparable units should be treated fairly and equitably. To do otherwise could create problems related to labor peace and morale. When all of this information is considered the Village argues that its offer is most reasonable and should be selected by the Arbitrator.

Union:

The Union argues that its proposal enjoys the support of settlements provided to other Village employees. In the first two years of the wage proposal the Union points out that it is an exact match with the Police unit, 1% across the board on 1-1-11 and 0% across the board on 1-1-12. This also parallels the wage increase for the Dispatchers. The Union also points out that the Village provided Public Works employees an increase of 1% across the board effective 1-1-11 and an additional 2.5% across-the-board increase on 1-1-12. The fact that this occurred prior to the enactment of Acts 10 and 32 does not diminish the settlement's significance in the Union's view. In conclusion, the Union argues that the Public Works settlement favors the Union's final offer on wages particularly in the first two years of the agreement.

The Union identifies that there is no dispute over the language for the 2011 and 2012 health insurance contributions. The Village has agreed to pay 93% on 1-1-11 and 88% of the insurance premium on 1-1-12. This is an exact match with the Police Unit and the Dispatchers. The Union does point out that the Public Works employees pay a lesser amount for health insurance because the negotiations were concluded prior to Act 10 and Act 32 implementation. In summary, the Union points out that the Village will pay the identical dollar amounts for insurance premiums for its Firefighters as it does for all other Village employees except those employed in the Public Works Department. As such, the Union argues that internal comparables support the Union's final offer in this area.

Regarding WRS contributions, the parties have agreed to the following language "employees hired on or after July 1, 2011, are required to pay the full employee share of the WRS contribution. . .". The Union proposes to continue the sentence by adding ". . .rate as long as it is required by Wisconsin state statutes". The Union identifies that the Village agreed to add that phrase to the 2011-2012 Police agreement. The Union argues that the Village "wants it both ways". It wants to point to internals when they support its position but turn a blind eye to internals when they do not support the Village's position.

Regarding holidays, the parties have agreed to bring the number of holidays from 11 to 12 which is consistent with the Village's Police contract. The difference lies in designation of that additional holiday. As identified previously, the Village wants the holiday to be floating while the Union has proposed Martin Luther King Day as the designated holiday.

Regarding Haz-Mat pay, the Village has acknowledged that it no longer has a Haz-Mat Team and therefore Union members no longer receive Haz-Mat Team payment. While the Village argues that no other municipality pays any amount of compensation for Haz-Mat certification, the Village fails to prove that other municipalities require Firefighters to maintain a hazardous materials certification. The Union identifies that the unit paid dearly to receive Haz-Mat team compensation by agreeing to receive less than the normal across-the-board increase of .25%. The members have not recouped that reduction and no longer receive the Haz-Mat Team compensation. The Union proposal merely addresses the equity of this situation by providing payment to Firefighters who have Haz-Mat certification. While the Village suggests that the Union proposal should be rejected as a change in the status quo without an accompanied *quid pro quo*, the Union argues that this reinforces their equity argument. The Union simply seeks to redistribute a portion of the hazardous material pay dollars. Citing arbitral authority, the Union identifies that there are numerous occasions in which no *quid pro quo* is required for a change in the contract. The Union argues that this is certainly the case related to their Haz-Mat proposal. Citing additional arbitral authority, the Union argues that numerous arbitrators have identified that employees performing extra duties are entitled to extra compensation. In keeping with this line of cases, the Greendale Firefighters who have Haz-Mat certification are required to perform extra Haz-Mat duties and warrant this additional compensation. The Village response that if the Haz-Mat Team is implemented again those members would be paid the \$200 allowance is an inadequate response. In summary, the Union states “to now allow the Village to abandon its Haz-Mat Team, preserve the current language, and keep to itself the Haz-Mat Team money for which the Union paid a dear price is unreasonable.”

As identified previously, both the Police Unit and the Firefighter Unit have 12 holidays. The disagreement between the Village and the Union resides in the designation of that newly implemented 12<sup>th</sup> holiday. Even though the Police and Fire Units have the same number of holidays, the days are not identically designated. Police Officers get their birthday off as a holiday while the Firefighters do not. Firefighters get the day after Thanksgiving as a holiday while Police Officers do not. The fact the Police have not designated Martin Luther King Day as a holiday does not matter. Further, the Union points out that the Public Works and Dispatcher contracts provide for 11 rather than 12 holidays and all 11 days are specified. The Village’s objection to designating the day seems to be based on a payout obligation to Firefighters who



quit or retire during the year. Under those circumstances the Village would pro-rate the holiday pay. The Union asserts that by pro-rating the holiday pay numerous problems could develop and this proposal is ambiguous. The Union points out that disputes about this pro-ration could occur. The Union argues that the Village has overlooked the most significant comparable in this dispute which is the current contract. The Union's proposal to specifically designate the additional holiday is supported by the current contract in which all holidays are designated. No holidays are considered to float. None of the current holidays are pro-rated upon retirement or termination. The Union's proposal to specifically designate the additional holiday preserves the status quo regarding holiday designation. As a result the Union's offer in this area is more reasonable.

The Union contests the Village argument that the proposal for a three-year contract deviates from the internal settlement trend. Additionally, the Village has claimed that the Union has chosen to "drag its feet". The Union disputes various Village contentions that there is internal consistency in Village contract settlements. The Union points to differences in the Public Works contract in which health insurance premium contributions are different. Further, the Union argues that internal consistency is not present when it comes to wages, pointing to the 2011 agreement with the Police and DPW employees who received a 1% across-the-board wage increase while Dispatchers received a 0% increase. In 2012, the Public Works wages increased by 2.5% while Dispatchers received a 1% increase. Police Officers did not receive an increase. The Union wonders where internal wage consistency resides. Additionally, the Union points to holidays as another example of internal inconsistency. The Public Works employees and Dispatch employees only have 11 holidays. Further, the Union points out that there is no evidence of delay regarding the bargaining timeframes.

In summary, at page 13 of the reply brief the Union states "yet the Village must concede that during the first two years of the contract, the Firefighters offer is, for all practical purposes, identical to that of the Police in the area of wages, pension, health insurance, and holiday increase. The only differences concern hazardous materials pay, an issue unique to Firefighters and holiday designation also unique."

Regarding its proposal for 2013, the Union argues that Village Exhibit 10 shows that the Greendale Firefighters are lagging behind external comparables in wage lift. The Union also points out that its proposal for 2013 is supported by external comparable settlements and is

reasonable. The Union has agreed to contribute 2% towards the cost of the employee share of WRS beginning in 2013.

Also, it is important to consider that Firefighters in other comparable communities receive additional compensation for driver-operator responsibilities as identified in Union Exhibit 12. Greendale Firefighters do not receive this type of compensation. The Union also points out that its wage offer is below the 2012 CPI increase cited by the Village in its Exhibit 15. If the CPI continues its current tracking, the Union members will lose money in 2013. The Union chose to clarify the Village table comparing 2013 actual wage increases to 2013 employee required WRS contribution. The Union points out that the more appropriate consideration is the 2013 wage lift since WRS contributions are not finite but continue year after year. The Union points to the south side comparables in support of its position. The Union also relies upon the Wauwatosa Firefighters three-year agreement 2011, 2012, and 2013. The Union cites another post-Acts 10 and 32 case, Town of Rome (Police), Dec. No. 33866-A (McAlpin, 12/12). The Union argues that Arbitrator McAlpin rejected the Town's argument that the Union's refusal to pay the full 6.65% of the WRS contribution was fatal to its final offer reasoning. The Arbitrator concluded that there was no showing that a 6.65% contribution was a persuasive need at this time. In this matter Arbitrator McAlpin questioned whether or not internal groups of employees were comparable with the police. The Arbitrator noted that in the Town of Rome the police were the only represented unit and that other employees had no choice in accepting contribution levels proposed by the employer. Based in part on these circumstances, the Firefighter Union challenges the Village's internal comparability argument. The Union also identifies Arbitrator Mawhinney's response to the unfair and inequitable argument raised by the Employer in La Crosse County (Law Enforcement), Dec. No. 33888-A (Mawhinney, 12/12).

The Union submits that the Village made no proposal for 2013. The question is whether the Union's offer is reasonable. The answer to that question the Union asserts is yes. Regarding the comparable issue, the Union reasserts that after many years of using a broader Milwaukee area pool the Village suddenly accuses the Union of "cherry picking". There are numerous interest arbitration cases involving the parties in which the broader comparable pool has been used by both parties. In this case the Village relies on a single event, the 2003 Arbitrator Krinsky decision, to abandon years of established comparable pool precedent. This approach should be rejected and the Union stands on its argument which was submitted in its initial brief.

In summary, the Union has argued that its 2013 terms are reasonable in part because of the appropriateness of the Union's proposal for a longer term contract and should be favored. Further, the Union proposal is more reasonable regarding hazardous material payment and holiday designation. For the reasons set forth, the Union requests that the Arbitrator adopt the Union's final offer.

#### DISCUSSION:

The criteria to be utilized by the Arbitrator in rendering an award for Public Safety Employees are set forth in Section 111.77(6), Wis. Stats., as follows:

(6) (am) In reaching a decision the arbitrator shall give greater weight to the economic conditions in the jurisdiction of the municipal employer than the arbitrator gives to the factors under par. (bm). The arbitrator shall give an accounting of the consideration of this factor in the arbitrator's decision.

(bm) In reaching a decision, in addition to the factors under par. (am), the arbitrator shall give weight to the following factors:

1. The lawful authority of the employer.
2. Stipulations of the parties.
3. The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
4. Comparison of 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:
  - a. In public employment in comparable communities.
  - b. In private employment in comparable communities.
5. The average consumer prices for goods and services, commonly known as the cost of living.
6. 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.
7. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

8. 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.

### Disputed Issues Discussion

The complete final offers of the parties are identified and compared in detail earlier in this decision.<sup>3</sup> It is important to note that there is substantial agreement between the parties regarding most key areas for 2011 and 2012. The information below focuses on the differences the parties have within their final offers.

#### **Health Insurance Premium Contributions**

Effective 1/1/12, Village will pay the premium cost of the health insurance plan selected by the employee, not to exceed 88% of the single or family premium *cost of the lowest eligible HMO (or the lowest cost plan if no HMO's are available) offered in the service area covering the Village.*

(The italicized portion is the Union's proposed modification to the Village's offer.)

#### **Pension Contributions**

##### Employees Hired Before July 1, 2011:

Village shall pay up to 8% of employee's share of pension contribution.

*Effective January 1, 2013, employees hired before July 1, 2011 shall pay the first 2% of the employee's share of pension cost.*

##### Employees Hired on or After July 1, 2011:

Employees will be required to pay the full employee's share of WRS contribution rate *as long as it is required by Wisconsin state statutes.*

(The italicized portion is the Union's proposed modification to the Village's offer.)

#### **Holiday Offers**

The Village offer contains the following:

Add one floating holiday to the schedule (12 total workdays off in lieu of holidays)

---

<sup>3</sup> Pgs. 2 - 4

The Union offer contains the following:

Add Martin Luther King Day to the holiday schedule (12 total workdays off in lieu of holidays)

### **Hazardous Materials Pay**

The Village did not present an offer on this item and, therefore, proposes to maintain the status quo. The current contract language provides that an employee who is assigned to the Haz-Mat Team will be paid an allowance of \$200 per calendar year on the first pay period in December.

The Union's offer is to revise the contract language to read: "Any employee who is certified at the Hazardous Materials Operations level will receive an annual compensation of \$75 to be paid on the first check in December."

### **Wage Increase and Duration**

The Village did not have an offer for 2013.

The Union proposed the following:

1/1 – 2.00% across the board

7/1 – 2.00% across the board

Section 111.77 Wis.Stats. requires that an arbitrator select the final offer of one party in its entirety. While the parties have the differences noted above for 2011 and 2012, the most significant area of dispute involves the Union's proposal for 2013 which includes wage increases and a 2% contribution towards pension costs for employees hired before July 1, 2011. The Village offer does not include a proposal for 2013. The resolution of this dispute will turn on the analysis and conclusions regarding the parties' positions related to the third-year issue.

### Greater Weight Requirement under Sec. 111.77(6), (am), Wis.Stats. Discussion

As directed above, the Arbitrator will provide greater weight to the economic conditions in the Village of Greendale than the other factors under paragraph (bm). The Village has not claimed an inability to pay with respect to this dispute. Additionally, the Village has not submitted budgetary information or economic data. The Village has experienced the same type of economic challenges as other municipal employers. The uncertainty about the financial future

of the Village is the basis for its two-year proposal. There is uncertainty about a financial recovery, funding opportunities, funding limitations and rising costs. The Village has taken a conservative approach to managing finances.

The Union has submitted several exhibits comparing the fiscal areas of comparable municipalities such as full value per capita, Wisconsin Adjusted Gross Income, Greendale's median home value and median household income. The Union has also provided an historical analysis of the Village's general fund assets and liabilities. The Union has concluded, based upon this information, that the economic conditions of the Village are favorable when compared to comparable municipalities.

While the Village questions some of the information provided by the Union, it is important to restate that the Village has not argued an inability to pay or submitted economic data to support a claim of fiscal troubles. The Village is fiscally responsible and must make appropriate financial decisions during these uncertain times. Obviously adopting a 2013 proposal for wage and pension modifications at this time will limit Village opportunities to address financial challenges that will be faced during the year. Further, a 2013 contract agreement will have financial implications for Village internal comparables which will impact Village finances. As required, the economic conditions in the Village will be given greater weight by the Arbitrator along with the analysis of the factors contained in Sec. 111.77(6), (bm).

#### Interests and Welfare of the Public and the Ability to meet Contract Costs Discussion

As noted above the Village has not submitted economic or budgetary evidence. The Village has not claimed an inability to pay for the costs of the Union's final offer. Rather the Village has emphasized the need for fiscal prudence and maintaining flexibility because of the uncertain economic environment and funding situation. The Union has submitted economic data and argues that the Village is in a favorable economic position when compared to comparable communities.

The specific financial condition of the Village is not actually in dispute. Greendale has been impacted by the recession and general economic conditions as have other municipalities. Economic uncertainty continues and the Arbitrator recognizes the desire of the Village to maintain flexibility in order to effectively manage finances. Adopting the Union's final offer will

limit the flexibility to address 2013 economic challenges and will impact other internal employee expenditures. The Arbitrator concludes that under the circumstances the Village’s final offer better serves the interests and welfare of the public.

Internal Comparables Discussion

The Village has several groups of represented and non-represented employees. Except for the Public Works employees, each of the contracts provides a 1% across-the-board salary increase for the entire two-year contract term. The Firefighters and Village have reached agreement on the same wage package as the Police for 2011 and 2012. For 2013, as noted previously, the Firefighters have proposed a 2% across-the-board increase effective 1/1/13 and a 2% across-the-board increase effective 7/1/13. The Village has no offer for 2013. The grid below summarizes contract terms and wage increases for the internal groups.<sup>4</sup>

<b>Unit</b>	<b>Term of Contract</b>	<b>Wage Increase</b>
Police	1/1/11 – 12/31/12	1/1/11 – 1.0% across-the-board 1/1/12 – 0.0% across-the-board
Dispatchers	1/1/11 – 12/31/11 1/1/12 – 12/31/12	1/1/11 – 0.0% across-the-board 1/1/12 – 1.0% across-the-board
Public Works <sup>5</sup>	1/1/11 – 12/31/12	1/1/11 – 1.0% across-the-board 1/1/12 – 2.5% across-the-board
Non-Represented Employees	Not Applicable	1/1/11 – merit pay program 1/1/12 – merit pay program

---

<sup>4</sup> Village Ex. 7.

<sup>5</sup> The Public Works agreement was executed on February 15, 2011, prior to enactment of Wisconsin Acts 10 and 32.

Regarding health insurance premium sharing, the evidence shows that except for the Public Works employees the Village pays 93% of the lowest cost qualified plan for 2011 and 88% of the lowest cost qualified plan for 2012.<sup>6</sup> These same premium sharing percentages are in the final offers of both parties. The Union proposed some modifying language for the 1/1/12 contract as noted previously. There is no evidence on the record that this language is present in any other internal contracts or a specific problem for the Firefighters is being addressed.

Regarding Wisconsin Retirement System (WRS) employee contributions, the Village contributes up to 6.5% of the employee's share for Public Works staff. Dispatchers and Non-Represented employees contribute the full amount of the employee's share of the WRS contribution. The Village pays up to 7% of the employee's share of the WRS contribution for Police Unit staff hired before 7/1/11. The final offers of each party provide that the Village will contribute an amount up to 8% of the employee's share of the WRS contribution for staff hired before 7/1/11. The Union also proposed language that limits employee WRS contributions "as long as it is required by Wisconsin state statutes". There is no evidence on the record that this limitation is present in any other internal contracts or represents a specific problem for the Firefighters that is being addressed. As noted above, the Union has proposed for 2013 that these employees will pay 2% of the employee share of pension contributions.<sup>7</sup>

Regarding holidays, both parties have proposed adding one additional holiday. This addition would increase the number of holidays to 12. The Union has proposed that the additional holiday be designated as Martin Luther King Day while the Village has proposed a floating holiday. The Public Works contract and the Dispatchers contract provide for 11 holidays but neither one designates Martin Luther King Day as a holiday. The Police contract provides for 12 holidays but Martin Luther King Day is not one of those holidays.

There is no evidence on the record that any other represented employee groups have hazardous material responsibilities. As a result, internal comparables do not play a role in assessing the parties final offer differences in the hazardous material area.

The Union disputes the Village contention that there is consistency between the internal contracts. The Union focuses on the differences between the Public Works contract and others.

---

<sup>6</sup> Village Ex.7-B.

<sup>7</sup> Village Ex. 7-A.



The Union discounts the impact of timing which resulted in the contract being finalized before Acts 10 and 32 were enacted. The Arbitrator disagrees. Had Acts 10 and 32 been enacted before the settlement, the current agreement would have been much different. This timing and the impacts of Acts 10 and 32 can not be ignored. Also, the Union argues that holidays are not consistent among the internals because some employee groups have 11 while others now have 12. The Union is correct about the numeric differences but overlooks the fact that no internal groups designate Martin Luther King Day as a holiday which is the current dispute between the parties.

In summary, it is important to note that all internal contracts are two-year agreements for the years 2011 and 2012. There are no internal contracts that cover 2013. Except for the Public Works contract, the wage settlements for other represented employees and the parties' final offers for 2011 and 2012 are essentially the same. Except for Public Works, the health insurance premium sharing percentages for represented employees and the parties' final offers are the same. The WRS employee contribution rates are either required by Statute or slightly different for represented employees with the parties' final offers being more favorable for the Firefighters. Employer Exhibit 7-A summarizes the specific WRS employee contribution rates. As noted previously, the Union's final offer also contained a provision for 2013 requiring employees hired before 7/1/11 to contribute the first 2% of the employee's share of the WRS rate. While the contracts for the other bargaining units provide for either 11 or 12 holidays, none of these contracts contain Martin Luther King Day as a designated holiday. For the above reasons, the Village's final offer has greater support from the internal comparables.

The role and weight provided to internal comparables has been considered by numerous arbitrators including the undersigned.<sup>8</sup> Most arbitrators have recognized the importance of maintaining some degree of equity and fairness among the various employee groups within an organization. Ignoring equity, fairness and internal settlements can erode morale and possibly impact service delivery. Often arbitrators provide greater deference to benefit issues when these have generally been standardized and provided to most employees. The role and importance of internal comparables has been impacted through the enactment of Acts 10 and 32. Prior to these changes, interest arbitration was available broadly to resolve contract disputes. With this type of

---

<sup>8</sup> Lincoln County (Highway), Dec. No. 33061-A (Strycker, 2/11)

level playing field, employers did not have the opportunity to unilaterally implement contract changes. Disputes were subject to review and resolution by an impartial arbitrator. With the advent of Acts 10 and 32, only protective services employees can negotiate complete contracts and proceed to interest arbitration. Employers are now prohibited from negotiating with general employees over many terms that were once found in labor contracts. Further, the law defines numerous employee obligations including health insurance premium sharing and responsibility for WRS employee contributions. Comparing general employees who no longer have full collective bargaining rights and access to interest arbitration with protective services employees with these rights can be challenging yet still appropriate. Both general and protective services employees continue to work for the same employer and fairness and equity are relevant concerns for both the employer and employees.

While the undersigned continues to conclude that internal comparisons between general employees and protective services employees are appropriate, the strongest internal comparable group would be another protective services unit. Numerous arbitrators have identified the strong linkage between protective services groups because of the nature of the work performed including the inherent risks associated with each profession. Law Enforcement employees and Firefighters put their health and well-being in jeopardy. Because of this and other similarities between these categories, there is strong rationale to provide greater weight to these comparisons more so than with general employees. The enactment of Acts 10 and 32 further strengthens the rationale that internal protective service comparisons should be given greater weight than other internal employee groups.

In the present dispute it is important to recognize that the Police Unit had voluntarily agreed to a two-year contract covering 2011 and 2012. The terms of this voluntary agreement are very similar if not identical with the final offer put forth by the Village. This internal protective services comparable strongly favors the adoption of the Village's final offer.

#### Comparable Pool Discussion

The parties' arguments regarding the appropriate comparable pool are contained in the positions of the parties. The parties do agree that the following municipalities are appropriate for comparison purposes:

Cudahy  
Franklin  
Greenfield  
Oak Creek  
St. Francis  
South Milwaukee

Arbitrator Krinsky in Village of Greendale (Firefighters), Dec. No. 30432-A (2/03) noted that the parties were in agreement with this pool of area municipalities. Arbitrator Krinsky was persuaded that this was the appropriate group to use for comparison purposes.

The Union argues that the above list of comparables should now be expanded to include Waukesha, Wauwatosa, West Allis and the combined fire department of the North Shore communities. The Union points out that the Village has used these municipalities in prior interest arbitration proceedings and should not be allowed to abandon these municipalities at this time. Citing arbitral authority, the Union argues that comparables previously used should not be modified merely based on the preference of one party.

The undersigned understands that the pool of comparable municipalities was larger and varied during three prior interest arbitration proceedings cited by the Union.<sup>9</sup> For example, Brookfield was included for some comparisons but not used for others. Additionally, Waukesha was excluded from some comparable pools but not others. Further, West Milwaukee was previously considered by the parties to be a comparable but this municipality no longer maintains its own municipal fire department.<sup>10</sup> A closer analysis of the previously cited cases shows that the pool of comparables was not constant but varied depending upon the circumstances.

It is very important to consider timing as well as the actions of the parties. The three cases relied upon by the Union in support of pool expansion were decided approximately thirty-six years ago, thirty years ago and twenty-five years ago. The most recent interest arbitration case between the parties occurred ten years ago and the parties agreed upon the comparable pool

---

<sup>9</sup> Village of Greendale (Fire Department), Dec. No. 15363-A (Graham, 6/77); Village of Greendale (Fire Department), Dec. No. 20436-A (Michelstetter, 7/83); Village of Greendale (Fire Department), Dec. No. 25400-A (Gunderman, 10/88).

<sup>10</sup> Union Brief. Pg. 13.

that is proposed by the Village in this dispute. Arbitrator Krinsky noted the parties' agreement and adopted this pool for comparison purposes.<sup>11</sup>

It is also important to consider whether changes in circumstance may warrant comparable pool modifications. Part of this analysis can include total population, population growth or contraction, location, organization size, services provided as well as other factors.

The populations of the additional municipalities proposed by the Union are much larger compared to the Village of Greendale and are as follows:

<b>Municipality</b>	<b>Population</b>
North Shore Comprised of the following: Village of Bayside Village of Brown Deer Village of Fox Point City of Glendale Village of River Hills Village of Shorewood Village of Whitefish Bay	Combined population of 64,741
Waukesha	70,718
Wauwatosa	46,396
West Allis	60,411
Greendale	13,970

Source: Union Exhibit 29 containing U.S. Census population for 2010 used for North Shore communities, Waukesha, Wauwatosa and West Allis.

While the additional municipalities proposed by the Union provide the same type of basic services, all have multiple fire stations while the Village of Greendale has one fire station. The staffing levels and command structures of the proposed municipalities are much larger than the Village of Greendale. The Union relies upon comparability arguments that were provided in proceedings that occurred over 25 years ago but these are not persuasive in the current dispute. The Union does not specifically address why the agreed upon 2003 comparable pool is no longer appropriate and needs to be expanded. It is well established that the party proposing a change in

<sup>11</sup> It should be noted that the Village proposed adding Hales Corners to the pool. Arbitrator Krinsky was persuaded by the Union's arguments that Hales Corners should not be used as a comparable.

an established comparable pool has the burden to provide compelling evidence supporting the appropriateness for that change.

The importance of having established comparables cannot be underestimated. A consistent pool of comparables helps add some degree of predictability and stability to the negotiations process. Arbitrator Gil Vernon reinforced this perspective as follows:

A comparable group once established is valued, even if some relative comparable criteria have changed overtime, for its predictability. It may be an imperfect yardstick, but it is one that produces some consistency in bargaining in that it gives both parties the same tools of guidance as to what a reasonable wage level change and what reasonable wage levels are in reasonably and similarly situated municipalities in light of all the relevant statutory criteria. If arbitrators were quick to disregard or modify comparable groups, there would be little stability and focus at the table.

City of Wausau (DPW), Dec. No. 31532-A, (Vernon, 10/06)

The record does not contain evidence to support a conclusion that circumstances warranting a change in the comparable pool exist. Therefore, the comparables remain as determined by Arbitrator Krinsky in his 2003 decision. They are as follow:

Cudahy  
Franklin  
Greenfield  
Oak Creek  
St. Francis  
South Milwaukee

#### External Comparables Discussion

It is important to compare disputed provisions of the Village's and Firefighter's final offers with the contracts for Firefighters in the comparable municipalities. The Union argues that the Greendale Firefighters are not as well-paid as some of the comparables. The Union also asserts that this is in part because Greendale Firefighters do not receive pay for driver/operator responsibilities. This argument is partially based on municipalities that are not included in the current comparable pool.<sup>12</sup> Upon closer review only one of the municipalities in the current pool

---

<sup>12</sup> North Shore, Waukesha, Wauwatosa, West Allis.

provides additional pay for driver/operators. Also the Union does not have a proposal as part of its final offer related to driver/operator payment. The Union is correct that some other Firefighters in the comparable pool receive higher pay. The Maximum Wage Rates table below identifies maximum wage rates earned by the Firefighters in Greendale as compared to Firefighters in comparable municipalities. This table shows that Greendale Firefighters maximum wage rates fluctuated between rankings of either 5 or 6 out of 7 between 2006 and 2009. In 2010 the Greendale Firefighters increased their wage rate ranking to 4 out of 7. While the Union argues that members will lose a few percentage points when compared to the mean and median, the 4<sup>th</sup> place ranking will continue through 2011 and 2012.

<b>Maximum Wage Rates</b>							
<b>Municipality</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Cudahy	\$55,299	\$56,405	\$58,094	\$59,482	\$61,647	\$62,259	\$62,259
Franklin	\$56,172	\$57,857	\$59,593	\$61,530	\$62,264	\$63,515	\$65,690
Greenfield	\$57,249	\$58,966	\$60,735	\$62,570	\$64,459	\$66,506	\$66,506
Oak Creek	\$56,717	\$58,560	\$60,316	\$62,066	\$63,866	\$65,718	\$67,689
St. Francis	\$45,869	\$47,199	\$48,733	\$50,317	\$50,317	\$51,323	\$52,744
South Milwaukee	\$54,944	\$56,593	\$58,290	\$60,039	\$60,039	\$61,714	\$61,714
Greendale	\$54,342	\$56,108	\$57,959	\$59,843	\$61,758	Village and Union Final Offers: \$62,376	Village and Union Final Offers: \$62,376
Village Ranking	6/7	5/7	6/7	5/7	4/7	4/7	4/7

Even though the parties have reached agreement for wages in 2011 and 2012, the Settlement Comparison Table below provides some historical background which is helpful. The table demonstrates that the Greendale Firefighters have done well. From 2007 through 2010 the Greendale Firefighters have received percentage increases above the average of the comparables. The evidence shows that Greendale Firefighters are ranked second among the comparables when actual percentage wage increases between 2007 and 2012 are considered. The salary adjustments that the parties have agreed to for 2011 and 2012 are slightly below the comparable averages but will maintain the Village's 4 out of 7 wage ranking.

As mentioned previously, this case turns on the Union's proposals related to the inclusion of a third year (2013) and the Village's decision not to include a proposal for 2013. The Settlement Summary Table identifies agreements for 2013. Two of the comparable municipalities (Cudahy and Franklin) have not settled for 2013. The remaining four comparable municipalities do have contract settlements for 2013 which are detailed below. Greenfield has 3 separate 1.5% adjustments which provide a 4.5% lift with an actual wage increase of 2.25%. Oak Creek has agreed upon a 3% wage increase effective on 1/1/13. St. Francis has 2 separate 1.5% adjustments which provide a lift of 3% and an actual wage increase of 2.375%. South Milwaukee has a 2% adjustment effective 1/1/13 followed by a 1% adjustment effective 7/1/13 which provides a 3% lift and an actual wage increase of 2.5%. The average lift for these comparable settlements is 3.38%. The average actual wage increase for these comparable settlements is 2.53%.

The Union has proposed a 2% adjustment effective 1/1/13 followed by another 2% adjustment effective 7/1/13. This proposal results in a 4% lift and an actual wage increase of 3%. The 4% lift obviously exceeds the 3.38% average of the settled comparables. The 3% actual wage increase obviously exceeds the 2.53% average of the settled comparables. As identified previously, Greendale has ranked second among the comparables when actual percentage wage increases between 2007 and 2012 are considered. The impact of implementing the Union's 2013 wage proposal would be to increase the separation between number 2 ranked Greendale and St. Francis, Greenfield and South Milwaukee in the cumulative actual wage increases category. Even though the wage increase relationship would be maintained with Oak Creek, the record does not demonstrate that increases above average settlements are needed or appropriate which favors the Village's final offer.

## Settlement Summary Table

SETTLEMENT COMPARISONS							
Municipality	2007	2008	2009	2010	2011	2012	2013
Cudahy 1/1 7/1 Lift Actual	2.0%	3.0%	3.0%	0% 1.0% 3.0% 2.5%	1.0%	0.0%	NS
Franklin 1/1 7/1 12/31 Lift Actual	3.0%	3.0%	3.25%	0.0% 1.0% 1.0% 1.0% 0.5%	1.0% 1.0% 2.0% 1.5%	1.0% 2.4% 1.0% 3.4% 1.2%	NS
Greenfield 1/1 7/1 12/31 Lift Actual	3.0%	3.0%	2.0% 1.0% 3.0% 2.5%	2.0% 1.0% 3.0% 2.5%	2.0% 1.0% 3.0% 2.5%	0.0%	1.5% 1.5% 1.5% 4.5% 2.25%
Oak Creek 1/1 7/1 Lift Actual	3.25%	3.0%	2.9%	2.9%	2.9%	3.0%	3.0%
St. Francis 1/1 7/1 Lift Actual	2.9%	3.25%	3.25%	0.0%	2.0%	1.5% 1.25% 2.75% 2.125%	1.5% 1.5% 3.0% 2.375%
South Milwaukee 1/1 7/1 Lift Actual	3.0%	3.0%	3.0%	0.0%	2.0%	0.0%	2.0% 1.0% 3.0% 2.50%
<i>Average Lift</i>	<i>2.86%</i>	<i>3.04%</i>	<i>3.07%</i>	<i>1.65%</i>	<i>2.15%</i>	<i>1.53%</i>	<i>3.38%</i>
<i>Average Actual</i>	<i>2.86%</i>	<i>3.04%</i>	<i>2.98%</i>	<i>1.40%</i>	<i>1.98%</i>	<i>1.05%</i>	<i>2.53%</i>
Greendale 1/1 7/1 Lift Actual	3.25%	3.30%	3.25%	3.20%	Village and Union Final Offers: 1.00%	Village and Union Final Offers: 0.00%	Union Offer: 2.00% 2.00% 4.00% 3.00%



Also, it is important to recognize that wage adjustments cannot be viewed independently as employee health insurance premium and employee WRS contributions impact actual earnings. In order to have a more complete understanding of the economic situation within the comparables and the Union proposal, an analysis of employee contributions is necessary and will follow.

The final offers of both parties for 2011 and 2012 contain a provision that the Village shall pay up to 8% of the employee’s share of the pension contribution for employees hired before July 1, 2011. Currently the employee contribution share as determined by WRS is 6.65%. As part of its offer for 2013, the Union proposes that employees hired before July 1, 2011 shall pay the first 2% of the employee’s share of pension cost. The Union correctly argues that very often a “phase-in” approach is used for employee contributions such as this. The settled comparables have generally used this approach but at a cost to the members. It should be noted that by phasing in the employee contributions, the actual earnings of those employees were negatively impacted in 2012. Also, all employees in the settled comparable communities will be paying the full amount of the employee’s share of the WRS contribution for 2013. The Union’s proposal to pay the first 2% of the employee’s share of WRS for 2013 is below the “phase-in” amount used by other comparables in 2012 and is not supported by the external comparables for 2013. The table below summarizes the status of employee contributions for WRS.

<b>Municipality</b>	<b>WRS Provision</b>
Cudahy	Not settled for 2013. City will pay up to 9% of employee’s share of WRS.
Franklin	Not settled for 2013. City will pay employee’s share of WRS.
Greenfield	Effective 1/1/12, employees shall contribute the same percentage amount of their covered WRS income as that paid by general municipal employees.
Oak Creek	Effective 1/1/12, employees shall contribute 3% of employee’s share of WRS; Effective 1/1/13, employees will pay a percentage of each payment equal to full amount of employee’s share of WRS as approved by the Department of Employee Trust Funds from time to time.
St. Francis	Effective 1/1/12, employees will contribute 4% of the employee’s share of WRS; Effective 1/1/13, employees shall pay 100% of employee’s share of WRS.

<b>Municipality</b>	<b>WRS Provision</b>
South Milwaukee	Effective 7/1/12 employees shall pay 2.95% Effective 1/1/13 employees shall pay 6.65%
Greendale	Village and Union Final Offers: Employees hired on or after July 1, 2011 are required to pay the full employee's share of the WRS contribution.  Village shall pay up to 8% of the employee's share of the pension contribution  Union Final Offer for 2013: Effective 1/1/13, employee shall pay the first 2% of the employee's share of WRS.

The table below shows the relationship between actual wage increases and employee WRS contributions. While Greendale Firefighter wages were frozen for 2012, they did not contribute toward WRS costs. Only one of the settled comparables did not incur an earning reduction. For 2013 the wage and WRS contribution table shows that all of the settled comparables will incur an earnings reduction. The Union's proposal, however, would result in a 1% wage increase. The Union's final offer exceeds the other 2013 settlements and is not supported by the external comparables when the relationship between wage increases and WRS employee contributions is considered.

<b>Municipality</b>	<b>2012 Wage/WRS Contribution Comparison</b>		<b>2013 Wage/WRS Contribution Comparison</b>	
	<b>2012 Actual Wage Increase</b>	<b>2012 Employee Required WRS Contribution</b>	<b>2013 Actual Wage Increase</b>	<b>2013 Employee Required WRS Contribution</b>
Greenfield	0.00%	5.90%	2.25%	6.65%
Oak Creek	3.00%	3.00%	3.00%	6.65%
St. Francis	2.125%	4.00%	2.375%	6.65%
South Milwaukee	0.00%	2.95%	2.50%	6.65%
Greendale – Union Final Offer	0.00%	0.00%	3.00%	2.00%

The parties have agreed to the health insurance premium sharing language. This agreement is substantially equivalent to the evidence submitted regarding premium sharing that occurs within the external comparable pool. Therefore, the external comparables do not favor either final offer.

The contract provisions regarding hazardous material compensation for the comparable municipalities are identified below. All of the Greendale Firefighters have Haz-Mat certification. Only Franklin provides compensation when members are active in a Haz-Mat capacity. None of the comparables provide compensation to employees who are certified at the Hazardous Materials Operations level. The external comparables do not support the Union’s proposal in this area.

<b>HAZ-MAT PAY COMPARISONS</b>	
<b>Municipality</b>	<b>Haz-Mat Pay Provision</b>
Cudahy	No provision
Franklin	Members who are active in Haz-Mat team receive \$46/month for each assignment
Greenfield	No provision
Oak Creek	No provision
St. Francis	No provision
South Milwaukee	No provision
Greendale	<p>Currently: An employee who is assigned to the Haz-Mat Team will be paid an allowance of \$200 per calendar year on the first pay period in December.</p> <p>Village Proposal: Maintain status quo</p> <p>Union Proposal: Any employee who is certified at the Hazardous Materials Operations level will receive an annual compensation of \$75 to be paid on the first check in December.</p>

The parties are in agreement about the addition of one holiday. The dispute centers on the Union’s proposal that it be designated as Martin Luther King Day and the Village’s position that it be designated as a floating holiday. A review of holiday provisions for the external comparables shows the following:

<b>HOLIDAY COMPARISONS</b>		
<b>Municipality</b>	<b>Total Number of Holidays</b>	<b>Martin Luther King Day</b>
Cudahy	10	Not identified
Franklin	13	Not identified
Greenfield	11	Not identified
Oak Creek	10	Not identified
St. Francis	10	Not identified
South Milwaukee	12	Not identified
Greendale	Village and Union Final Offers: 12	Village Final Offer: Floating Holiday  Union Final Offer: Martin Luther King Day

The Village is a leader in this area by providing 12 holidays. Also it is important to note that none of the external comparables designate Martin Luther King Day as a holiday. The Union’s final offer proposal to specify Martin Luther King Day as one of the holidays is not supported by the external comparables.

Cost of Living Discussion

The cost of living as measured by the CPI has fluctuated between 2007 and 2012. During this period the CPI reached a high of 3.85% in 2008 and experienced a loss of (.38%) for 2009. Over this time period the wage increases received by the Firefighters (14.0%) exceeded the cumulative total of the CPI calculations (13.27%). It is noteworthy that the Firefighters were able to keep pace with the cost of living since the identical wage increases contained in both final offers are below the CPI figures for 2011 and 2012. The impact of the Union’s wage proposal for

2013 in relationship to the CPI is not known at this point. It is important to acknowledge that the cost of living also impacts the external comparables. As identified previously, each settled comparable group will experience an actual wage reduction due to agreed upon employee WRS contributions for 2012 and 2013. The Arbitrator is not persuaded that the cost of living criterion favors either party's final offer.

#### Overall Compensation Discussion

The record shows that the Firefighters are fairly compensated and receive a competitive benefit package. The benefits provided by the Village are typical of those extended to protective services employees. These include in part: sick leave, health insurance, retiree health insurance, retirement benefits, life insurance, vacation, holidays, uniform allowance, etc. While the benefits may vary slightly between the comparables, the record shows that the benefits received by the Village Firefighters are substantially equivalent to those received by firefighters in the comparable pool. This factor does not favor either final offer.

#### Additional 111.77(6) (bm) Wis.Stats. Factors

Some of these factors were not in dispute and not addressed by the parties. Even though arguments were not presented and evidence was not submitted, all of the factors have been considered by the Arbitrator as required.

Based upon the foregoing, the application of the statutory criteria and the record as a whole, the Arbitrator finds the Village's final offer to be the more reasonable of the two final offers.

#### AWARD

The Village's final offer shall be incorporated into the 2011 – 2012 collective bargaining agreement between the parties.

Dated at Waunakee, Wisconsin, this 27<sup>th</sup> day of March, 2013.

William K. Strycker /s/

William K. Strycker, Arbitrator