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 In the Matter of Arbitration Between )  
 THE CITY OF HUDSON POLICE OFFICERS )  
 -and- )  
 THE CITY OF HUDSON )  
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ARBITRATION AWARD  
  
 Case I  
 No. 16157 MIA-18  
 Decision No. 11479-A

Introduction

Upon petition of The City of Hudson Police Officers (hereafter "Officers"), the Wisconsin Employment Relations Commission appointed Arlen Christenson of Madison, Wisconsin as arbitrator to make a final and binding determination of the dispute between the Officers and the City of Hudson (hereafter "City), pursuant to Wisconsin Statutes Sec. 111.77. A hearing was held at the St. Croix County Court House on April 4, 1973. Post hearing statements were filed by the parties with the Arbitrator by June 28, 1973. Appearing on behalf of the Officers was James A. Drill, Attorney at Law, New Richmond, Wisconsin and on behalf of the City, C. A. Richards, City Attorney, Hudson, Wisconsin.

This is a "final offer" proceeding under Wisconsin Statutes Sec. 111.77(4)(b). The Arbitrator, under this procedure, is required to choose between the two final offers of the parties as submitted at the time of the hearing. In making that choice the Arbitrator is directed by the statute to consider certain relevant factors. Those factors, listed in Wisconsin Statutes, Sec. 111.77(6) are as follows:

"ss 111.77(6) In reaching a decision the arbitrator shall give weight to the following factors:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.
- (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
- (d) Comparison of the wages, hours and conditions of employment of the employes involved in the arbitration proceeding with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally:
  - 1. In public employment in comparable communities.
  - 2. In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

(7) Proceedings, except as specifically provided in this section, shall be governed by ch. 298.

(8) This section shall not apply to police departments in cities having a population of 500,000 or more or municipalities having a population of 5,000 or less.

(9) Section 111.70(4)(c)3 shall not apply to employments covered by this section."

The City of Hudson Police Department consists of eleven full time employees, a part time secretary and a part time "auxiliary" force of approximately twelve men. The bargaining unit involved in this proceeding consists of all of the full time employees of the department with the exception of the Chief and the two sergeants who are excluded as supervisory employees. Included in the bargaining unit are seven patrolmen and one policewoman.

There is only one issue in dispute between the parties and only one issue subject to final and binding arbitration in this proceeding. That issue is the level of pay for the calendar year 1973.

#### The Final Offers

The 1972 salary structure for the Officers was as follows:

	Starting	After 1 year	After 2 years
Patrolmen	\$658.00	\$721.00	\$752.00
Policewoman	543.00		

The final offer of the Officers is a \$170.00 across-the-board increase for all members of the bargaining unit. This offer would result in the following pay structure:

	Starting	After 1 year	After 2 years
Patrolmen	\$828.00	\$891.00	\$922.00
Policewoman	713.00		

The final offer by the City is as follows:

	Starting	After 1 year	After 2 years
Patrolmen	\$774.00	\$838.00	\$870.00
Policewoman	631.00		

#### Discussion

The offers by the City and by the Officers both call for substantial wage increases at all levels of the wage structure. The Officers propose an increase which would amount to about 31% at the lower end of the scale and about 23% at the top. The City's offer would grant percentage increases in a range from 16% to 17.5%. The parties have stipulated that for the purposes of making comparisons the Arbitrator could assume that other comparable communities would be reaching agreement with the Police Officers on salary increases of 5.5%. It is obvious that the City and the Officers agree that the pay scale should be adjusted upward relative to other communities. The dispute is over how much.

The statute governing proceedings such as this specifies certain factors which arbitrators are to consider in reaching a decision. Those factors, paraphrased for brevity, are as follows:

1. The lawful authority of the employer;
2. Relevant stipulations of the parties;
3. The employer's ability to pay;
4. Wages and benefits in comparable public and private employment;
5. The Cost of Living;
6. Overall compensation and benefits;
7. Any other relevant factors.

There is no issue as to the lawful authority of the employer under state law to comply with either of the final offers under consideration. The parties are apparently prepared to take their chances with the vagaries of federal economic regulation. No question was raised under federal law in the course of these proceedings and given the current state of affairs no consideration will be given to the federal regulations in this award.

The parties have reached several stipulations of fact which are relevant to a resolution of this matter. These stipulations have been referred to above and will be referred to as they become relevant to the discussion hereafter. Among the remaining factors which the statute specifies be considered, the one stressed by the parties and the one which will be discussed below is the factor of wages and benefits in comparable employment. None of the other factors were the subject of much controversy or even discussion. The increase in the cost of living is obvious. The City does not attempt to make a case on ability to pay. It does contend that other, more wealthy communities are able to pay better police salaries but this evidence relates more to the question of comparability under the statute than ability to pay.

#### Comparable Wages

##### The Officer's Position

The Officers contend that they are entitled to be paid commensurate with the degree of skill they must possess; their exposure to criminal elements; and the standards of pay in easily accessible communities nearby whether in Minnesota or Wisconsin. Because of its location near the metropolitan area of Minneapolis-St. Paul, Hudson has a higher than normal incidence of criminal activity. In 1973 this was even more pronounced because the lowering of the age of majority in Wisconsin from 21 to 18 years while it remained at 21 in neighboring Minnesota brought a flood of youthful drinkers into Hudson. Hudson's geographical location thus distinguishes it from otherwise comparable nearby Wisconsin communities and justifies a higher wage scale in Hudson. Hudson Police Officers are required to possess a degree of skill and ability equal to any of the nearby communities and tend to face more danger than most. The Hudson wage scale should, therefore, be the equal of any in the area.

##### The City's Position

The City contends that the offer it has made is far in excess of that in effect for most corporate and municipal employees not only in comparable communities but in much larger ones. It is not necessary to provide a higher increase to be competitive, as is demonstrated by looking at comparable communities and by the fact that the City has no difficulty in filling vacant positions with qualified people. The suburban Minnesota communities which the Officers cite as comparable are wealthier communities with a larger industrial base and a much larger population. Even so, the City's offer will make the Hudson wage scale competitive with these communities. The wage scale in effect for the Hudson Police Officers also compares favorably with that of others in the community such as the employees of the school district. Much of the problem of high crime incidence was attributable to the difference in the age of majority between Wisconsin and Minnesota. The arbitrator should take judicial notice of the fact that recent

legislation in Minnesota has largely rectified this problem by lowering the age of majority in that state.

Discussion of Comparability

The following tables indicate the relative position of the Hudson police salary scale for patrolmen among those communities in Minnesota and Wisconsin within a radius of approximately 20 miles of Hudson which one or both of the parties contends are comparable. In accordance with the stipulation of the parties the gross salaries in the Minnesota communities have been reduced by 7% to reflect the difference in retirement benefits paid by the City. In addition, the Maplewood figure has been reduced by an additional \$17.02 a month reflecting the difference in health insurance benefits. The latter may also be appropriate in the case of other communities too but there is no stipulation or other evidence of record to support it. It should also be noted that the top of the wage scale is reached in two years in the Hudson Department while the Minnesota departments add another step requiring three years to reach the top of the scale. The 1973 scales are formulated on the basis of the stipulation of the parties that the arbitrator could assume that the municipalities involved would settle for a 5.5% increase for the year 1973 even though at the time of the hearing there was no evidence of actual settlements.

1972 Wage Scales

	<u>Start</u>	<u>Top</u>
1. White Bear Lake, Minnesota	\$777.00	\$908.00
2. North St. Paul, Minnesota	736.00	903.00
3. Maplewood, Minnesota	760.00	885.00
4. Stillwater, Minnesota	670.00	790.00
5. River Falls	590.00	767.00
6. Hudson	658.00	752.00
7. New Richmond	528.00	687.00

1973 Wage Scales  
(Assuming 5.5% Increases)

1. White Bear Lake	\$820.00	\$958.00
2. North St. Paul	776.00	953.00
3. Maplewood	802.00	934.00
4. <u>Hudson (Police offer)</u>	828.00	922.00
5. <u>Hudson (City offer)</u>	774.00	870.00
6. Stillwater	707.00	833.00
7. River Falls	622.00	809.00
8. New Richmond	557.00	725.00

The above tables show that under the 1972 wage scales the patrolmen's scale in Hudson was fifth among the seven communities at the starting level and sixth at the top of the scale. This relationship no doubt contributed to the agreement by both parties that it was necessary to increase the wage level in the Hudson department by more than the average amount. Thus, under either the City's offer or that of the Officers, the relative position of the Hudson patrolmen would improve. The Officer's proposal would result in the highest starting level among all of the communities and the fourth highest level at the top of the scale. Under the City's offer both the starting level and the top level would rank fourth among the municipalities cited.

No comparisons appear in the tables regarding the policewoman's wage. This is because there is no evidence in the record indicating a comparable wage level for most of the other communities. The one comparison that does appear is with Maplewood where a policewoman was paid \$643 a month in 1972. This compares with \$543 in Hudson. Applying the stipulated 5.5% increase for 1973 would bring the Maplewood level up to \$678. The City's offer would bring the Hudson policewoman's level to \$631 a month and the Officer's proposal to \$713. It should be noted that the City correctly points out that the job qualifications are more stringent in the Maplewood department.

#### Conclusion

A review of the record leaves little room for doubt that a substantial wage increase for the City of Hudson patrolmen and policewoman is justified. It also seems clear that the final offer by the Officers is more than is necessary or appropriate. Hudson is, in some respects, comparable to the Minnesota communities cited by the Officers. They are, however, as the City points out, considerably larger municipalities. Traditionally, larger communities have had higher wage scales and that has been the historical pattern among the communities considered in this discussion. That is due in part to the different nature of the police function in a larger community and in part to the differences in tax base. The Officers correctly point out that Hudson has policing problems much like those of larger communities. This argument justifies a wage differential over otherwise comparable Wisconsin communities with less difficult policing problems. The City also correctly points out that the larger municipalities cited by the Officers can more readily meet the financial burden of a higher wage level. The City's offer which would place Hudson just below the larger Minnesota communities; above the less populous Minnesota city of Stillwater; and, substantially above both of the nearby Wisconsin cities of River Falls and New Richmond more appropriately takes both factors into account.

If the wage scale in the Hudson Police Department were as far out of line with comparable municipalities as the Officer's offer implies, that fact should be reflected in a high turnover rate or difficulty in filling vacancies or both. There is no evidence of a higher than normal turnover rate. The evidence presented by the City demonstrates that there is no lack of qualified applicants for jobs despite the adoption of more stringent job qualifications in the last year or so.

The City's offer providing for an increase almost three times that of most other municipalities is a fair one and not, under the circumstances, more than is necessary and appropriate. It will place Hudson in a competitive position and, at the same time, recognize financial realities.

#### AWARD

It is my Award that pursuant to Wisconsin Statutes, Section 111.77(4)(b) the final offer of the City of Hudson is selected and incorporated into this Award without modification.