

STATE OF WISCONSIN

Before the Impartial Arbitrator

In the Matter of the Labor Contract Dispute,

between

The City of Oconomowoc, and
Union Local 695 of International Brotherhood
of Teamsters, Chauffeurs, Warehousemen and
Helpers of America (Union).

Case XII
No. 17286 MIA-60
Decision No. 12388-A

Arbitrator's Decision and Award

I Introduction

As a result of an order issued by the Wisconsin Employment Relations Commission (Commission), pursuant to Sec. 111.77 (3) Wisconsin Statutes, the author of this decision was appointed impartial arbitrator with the direction to issue a final and binding award with respect to the contract dispute existing between the City and the Union.

The Union is the bargaining representative of some 19 employees in the City's police department who have the power to make arrests, but excluding the Chief of Police, Captain of Police, and non-sworn clerical and all part-time employees.

In anticipation of the expiration of the 1973 labor contract covering Oconomowoc Police Department employees, the parties attempted through negotiations to arrive at an agreement for the year 1974. Having reached an impasse with respect to the issues of salaries, length of vacations, and the right to an automatic wage adjustment during its one year term upon certain conditions, the parties turned to the Commission for the appointment or selection of a neutral arbitrator.

On January 21, 1974 the author was appointed impartial arbitrator by the Commission pursuant to certain of its findings of fact.

Paragraph 5 of such findings reads as follows:

"That the parties have not established any mutually agreed upon procedures for the final resolution of disputes arising in collective bargaining, and further, that the parties have not mutually agreed that the arbitration should not be limited to the last and final offers of each of the parties."

II Facts

The last and final offers as made known to the arbitrator covering the unresolved issues are as follows:

The City's:

(a) "1. Wages: The City offers a salary increase of \$700 per year for each employe.

(b) "4. Leaves and Vacations: The City offers the following vacation schedule:

"Two weeks after one year

"Three weeks after eight years

"Four weeks after eighteen years."

(c) No reopening clause:

The Union's:

(a) Wages: A \$900 annual increase across the board for each employe.

(b) Leaves and Vacations:

"Two weeks vacation after one year of service.

"Three weeks vacation after five years of service.

"Four weeks vacation after 10 years of service.

"Five weeks vacation after 15 years of service.

"Six weeks vacation after 20 years of service."

(c) Amend and provide for a cost-of-living as follows:

"The Employer agrees to a cost-of-living adjustment in wages which will be computed every six (6) months starting as of January 1, 1974, using as a base figure the U. S. Department of Labor Statistics Cost of Living Index for that date, (revised Index Series 1957-59=100) subject to the above, for each one full point rise of the index, wages will be increased three dollars and fifty cents (\$3.50) per month."

Under Sec. 111.77 (4) there are two alternative forms of arbitration.

"(a) Form 1. The arbitrator shall have the power to determine all issues in dispute involving wages, hours and conditions of employment.

"(b) Form 2. Parties shall submit their final offer in effect at the time that the petition for final and binding arbitration was filed. Either party may amend its final offer within five days of the date of hearing. The arbitrator shall select the final offer of one of the parties and shall issue an award incorporating that offer without modification."

Following appointment the arbitrator held two open hearings, on February 9th and March 1, 1974 when each of the parties and their representatives presented their arguments and introduced exhibits in support of their respective positions.

By the terms of the Commission directives and the absence of an agreement of the parties before the hearing that Form 1 of Sec. 111.77 (4) (a) shall control, the arbitrator is compelled to "select the final offer of one of the parties and shall issue an award incorporating that offer without modification." (underline supplied)

The statute under which the parties are operating provides certain guide lines for the arbitrator in reaching his decision. Thus as they may be applied in the current matter, the arbitrator must give weight to the following factors:

"(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.

"(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, all other benefits received"

III Question Before Arbitrator

The question before the arbitrator is: Which of the two last offers is more in keeping with the statutory guidelines imposed upon the arbitrator by the legislature?

IV Findings

Since the subject of wages forms the major issue in the current negotiations, I have given it prime consideration in determining whether the City's or Union's last offer should be incorporated into the 1974 contract.

This arbitrator would have preferred to have the uninhibited latitude of fashioning a wage clause as well as vacation provisions close to the offers made rather than be circumscribed by the offers and be proscribed by statute, since there is merit in each position.

An analysis of 1974 contracts entered into between surrounding municipalities and their respective police department employes strongly suggest that the \$700 annual increase across the board offered by the City is more in line with the wage scales of such municipalities than the wage offer of the Union; It is true however that the City's offer is slightly lower in some classifications than that of the surrounding municipalities. We note that the average starting rate for Milwaukee suburban patrolmen is \$9976.29 as against \$9880, the proposed adjusted City rate. Yet the Delafield starting salary is \$9114 while the village of Hartland's is \$9668. Thus the Oconomowoc offer is higher than either.

There are of course variations in each range and classification. Thus we look to the overall rates and find that the City's last offer is sufficiently in line with salaries paid police personnel in the surrounding communities.

Material submitted during the hearings tend to show that consumer prices had risen between 8.7 and 8.8 per cent during the year 1973. The seven hundred dollar increase offered by the City would nevertheless produce a 6.6 to 7.6 percent wage increase measured against the 1973 salaries.

It cannot be denied that the police budget as part of the City's total budget was submitted and adopted before the end of 1973 and that the property tax yield was thereafter fixed accordingly. The City is thus without means of passing on cost increases to the taxpayer who benefits from police services, without engaging in a borrowing process. It is therefore well not to unduly burden the City finances after the municipal budget had been formulated and the tax rate established.

To provide for an automatic wage adjustment geared to the cost of living index in mid-year when the contract is limited to a one year period is impractical. It would be far more productive to commence negotiations for the 1975 contract in mid-year of 1974 bearing in mind budgetary requirements. In this connection it is well to note that the statute under which the parties negotiate reflects such an approach. See Sec. 111.77 (1) (a), Wisconsin Statutes.

The remaining subject of the last offer of the parties refers to Leaves and Vacations. While the arbitrator considers the Union's proposal somewhat more in keeping with current practices and conditions, nevertheless the City's offer is not out of line and is acceptable.

V Conclusions

Under the totality of circumstances and in keeping with the interests and welfare of the people in the City, its financial ability to presently meet increased costs, the comparison of wages and other conditions of employment of employes performing similar services in comparable communities, and considering the cost of living index and its inflationary rise, and the overall compensation presently received by the employes under consideration, I conclude that the last offer of the City is fair and reasonable and made in good faith.

VI Award

I direct that the City's last offer be incorporated into the 1974 contract between the City of Oconomowoc and Union Local 695 of International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

Dated March 14th, 1974

Max Raskin,
Impartial Arbitrator