

In the Matter of the Petition of  
MARSHFIELD PROFESSIONAL POLICEMEN'S  
ASSOCIATION

vs.

CITY OF MARSHFIELD

Re: Final and Binding Arbitration

Case XV, No. 17831  
MIA-101

Decision No. 12680-A

ARBITRATION OPINION & AWARD

Arbitrator: James L. Stern

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BACKGROUND

On April 9, 1974, the Marshfield Professional Policemen's Association, Patrolmen's Wage and Grievance Committee, hereinafter identified as the Association, filed a petition with the Wisconsin Employment Relations Commission (WERC) stating that it had reached an impasse on wages and other matters in its negotiations with the City of Marshfield, hereinafter identified as the City, and requested that the matter be resolved by final and binding arbitration, Form 2 of Wisconsin Statutes 111.77 (4) (b) under which the arbitrator must select as his award the final offer of one of the parties without modification of such final offer. The WERC conducted an informal investigation on April 30, 1974, and finding that an impasse still existed, issued an order for arbitration dated May 7, 1974, and furnished the parties with a panel of arbitrators from which they could select an arbitrator. The parties advised the WERC that they had selected the undersigned, James L. Stern, and the WERC issued an order dated June 13, 1974, appointing him as an arbitrator.

The arbitration hearing was convened on July 18, 1974 at the Marshfield City Hall. The City was represented by Cyril J. Marx, Chairman of the Finance Committee who was accompanied by other members of the Finance Committee and a representative of the City Attorney and the Fire and Police Commission. The Association was represented by James E. Low, Labor Negotiator and Attorney of Crooks, Low & Earl, accompanied by the Chairman and other officers of the Association. The proceedings were not transcribed. The parties introduced their exhibits and made oral arguments.

At the conclusion of the hearing, and with the permission of the parties, the arbitrator arranged for the parties to resume negotiations in a last effort to resolve their difference on the one issue on which they were still in dispute. It was agreed that, if the arbitrator was not informed by the parties within five days of the hearing that the dispute had been resolved or that the final offers argued at the hearing had been further amended, he should proceed to select one of the final offers argued at the hearing. The arbitrator received no communication from either party subsequent to the hearing and therefore, as agreed, will choose between the offers argued at the hearing.

ISSUE

The parties had successfully resolved all items except the general wage increase on which they were \$16.50 per month apart. The City proposed to increase the wage schedule and the wages of all individuals in the unit by \$45 per month effective January 1, 1974. The Association proposed that the schedule and the wages of all individuals covered be increased by \$61.50 effective the same date. The 1973 schedule, and proposed City and Association 1974 schedule are:

	<u>1973</u>	<u>1974</u>	
		City Proposal	Assoc. Proposal
Starting Wage	\$660	\$705	\$721.50
After 6 mos. service	705	750	766.50
After 1 year service	735	780	796.50
After 18 mos. service	755	800	816.50

DISCUSSION

Before examining the critical evidence in this dispute, the arbitrator wishes to note several points made at the hearing. There is no argument about the value of the fringe improvements agreed upon by the City and the Association -- the Association valued them at \$14.75 per month per man. Also, the ability to pay of the City is not at issue; it can afford to meet the demand of the Association. The question, therefore, is not whether it could but whether it should, in light of the criteria in the statute.

The City proposal to increase wages is based on the belief that this increase is equitable in relation to increases that it has granted other City employees with whom it has already reached agreement, and on comparisons with the wages paid to policemen in the neighboring cities of Wausau, Wisconsin Rapids and Stevens Point. The Association proposal relies on increases in the cost of living, wages paid and wage increases granted in the private sector in the Marshfield area, and also on the wages paid and the wage increases granted to policemen in other Wisconsin cities including those cited by the City. Each of these criteria are examined and the positions of the parties are evaluated against them.

The Association introduced exhibits (Association Exhibits #3, 4 and 5) showing the increase in the cost of living during 1973 and the first five months of 1974. The City argued that the proper time span was the situation "as it existed in 1973, at the time of bargaining." (City final offer, dated July 18, 1974.) If one accepts the City notion of the proper time span and uses Association Exhibit #3 to calculate the increase in the Consumer Price Index from the third quarter of 1972 to the third quarter of 1973, he finds that the increase amounts to 8.8%  $\left[ \frac{(138.5-127.3)}{127.3} = 8.8\% \right]$ . Eight and eight tenths percent of the 1973

maximum wage of patrolmen (\$755) amounts to \$66.40 per month. Therefore, on the basis of changes in the cost of living and the need to protect the real wage of the patrolmen, the Association proposal to increase wages by \$61.50 per month seems more reasonable than the \$45 per month increase proposed by the City.

The Association presented evidence comparing wages of policemen in Marshfield with wages paid in a variety of occupations at a half-dozen Marshfield firms (Association Exhibit #8). It shows that policemen get paid more than unskilled labor, about the same as semi-skilled labor and less than skilled craft labor. These comparisons are rough, however, and don't help the arbitrator decide between the City and the Association proposals. But they do suggest that the private sector wage increases between 1973 and 1974 are more in line with the City proposal than the Association proposal. Table 1, below, shows that the average increase in the jobs cited by the Association in Exhibit #8, for which 1973 and 1974 wages are shown, is approximately 29¢/hour (\$50 per month) or 6.4% as opposed to the City proposal of \$45 per month (26¢/hour) or 6.0%, and as opposed to the Association proposal of \$61.50 per month (35¢/hour) or 8.1%.

<u>Job Title</u>	<u>1973 Hourly Rate<sup>1</sup></u>	<u>Cents Per Hour</u>	<u>1974 Increase In Dollars Per Month</u>	<u>Percent</u>
Carpenter	\$4.60	28¢		6.1%
Tool & Die Maker	5.12	31		6.1
Press Operator	3.66	28		7.7
Electrician	5.12	31		6.1
Cable Splicer	4.85	34		7.0
General Factory Labor	3.60	20		5.6
	Average Increase	29¢	\$50	6.4%
Marshfield Policemen	\$4.35			
Increase under City Proposal		26¢	\$45	6.0%
Increase under Assoc. Proposal		35¢	\$61.50	8.1%

<sup>1</sup> The rates quoted here are taken from Association Exhibit #8 which, in turn, is based on contracts submitted as Exhibits 8a-8e supplemented by other exhibits. The rates are not averages, so far as the arbitrator is able to determine, but are actual contract rates chosen from one of the contracts introduced into evidence. As such they are illustrative of wages paid in Marshfield and of increases granted in 1974 but are not average wages paid to all individuals in the Marshfield area in these occupations or even averages based on all contracts submitted.

Both the Association and the City presented evidence comparing the wages of Marshfield policemen with the wages paid to policemen in other Wisconsin cities. Association Exhibit #7 showed the 1973 wages paid to policemen in eight other Wisconsin cities including five of about the same size as Marshfield but located some distance away and three others in the same geographic area as Marshfield. The Association also showed the 1974 wages paid to policemen in the three cities in the same area. These cities, Stevens Point, Wausau and Wisconsin Rapids, are the ones also chosen for comparison purposes by the City in its Exhibit #2. Therefore, the arbitrator believes that the comparisons of wages paid in these three cities and the 1974 increases that they agreed upon should have significant weight in determining whether the City or the Association proposal will prevail. Table 2 shows the 1973 monthly wages of Stevens Point, Wausau, Wisconsin Rapids, the average of the three cities, and Marshfield. It also shows the 1974 increases and 1974 wages in the three other cities, the average of the three, and the proposed Marshfield 1974 wage under the City and the Association proposals.

Table 2 - Comparison of 1973 and 1974 Monthly Police Salaries and '73-'74 monthly increases in Stevens Point, Wausau, and Wisconsin Rapids with proposed Marshfield Salaries

	1973 <u>Monthly Salaries</u>		1974 <u>Monthly Salaries</u>		<u>Increase Per Month</u>	
Stevens Point:						
From Assoc. Data <sup>a</sup>	\$753.83		\$804.33		\$50.50	
From City Data <sup>b</sup>		\$701.27 <sup>c</sup>		\$752.70		\$51.43
Wausau						
From Assoc. Data <sup>d</sup>	791.82		832.44		40.61	
From City Data <sup>d</sup>		780.12		816.12		36.
Wisconsin Rapids						
From Assoc. Data	810.58 <sup>e</sup>		860.58		50.	
From City Data		778.94 <sup>e</sup>		828.94		50.
Average:						
From Assoc. Data	\$785.41		\$832.45		\$47.04	
From City Data		\$753.44		\$799.20		\$45.76
Association Proposal	\$755		\$816.50		\$61.50	
City Proposal		\$755		\$800		\$45.00

<sup>a</sup> Data are based on 42 hour week.

<sup>b</sup> Data are based on 40 hour week.

<sup>c</sup> Calculated by the arbitrator from City and Association Proposals.

<sup>d</sup> Union Exhibit #9 shows 2 rates for Wausau patrolmen. One is for men covered by one pension plan, the other is for men covered by a different plan. (See Article 19 of the agreement). The City has chosen one rate; the Association has chosen another. It is the arbitrator's understanding that most patrolmen are covered under the rate cited by the City.

<sup>e</sup> From a 1973 agreement of the Police Association of Wisconsin Rapids and the City of Wisconsin Rapids and the data in City Exhibit #2 and Association Exhibit #7, the arbitrator was able to reconcile the Wisconsin Rapids figure of the parties. He believes that the Association intended to show \$9727 as the annual 1973 maximum base salary of patrolmen rather than \$9220, which is the salary after one year of service. He therefore used the \$9727 figure and divided it by 12 to arrive at the above monthly 1973 Wisconsin Rapids monthly salary based on the association data as adjusted by the arbitrator.

The City figure of \$828.94 in 1974 is apparently based on the salary reached in 2 years -- a choice that the City may have selected on the grounds that the Marshfield policemen reach their maximum in 18 months.

In order for the arbitrator to draw conclusions from the wage comparisons shown in Table 2, it is necessary for him to attempt to reconcile the difference in the data and arrive at what he believes are the correct salary schedules at the three other cities with which Marshfield salaries are compared. The arbitrator believes that the City data for Stevens Point, based on a 40 hour week, should be used for the wage comparison rather than the data of the Association, based on a 42 hour week. All four cities work the same schedule of six days on duty followed by two days off. This totals 2190 hours per year or 42 hours per week averaged over the year, only if no days-off (Kelly days) are taken. In Wausau, the 6-2 schedule is reduced to 40 hours per week average by such days off (Article 13 of Association Exhibit #9) as is also the case in Marshfield (See contract attached to last offer of the Association).

The Stevens Point contract (Association Exhibit #10) specifies in Article III the same normal schedule as the Wausau and Marshfield contracts but, in Article IV dealing with overtime, requires payment for the 41st and 42nd hour rather than time off. If the arbitrator were to use the 42 hour rates in Stevens Point, he would then have to add the value of the days-off at Wausau and Marshfield in order to make the wage comparisons. Instead he is comparing the 40 hour rates, and in effect is assuming that the differences in Kelly days and in taking overtime in cash rather than in days-off are analogous to differences in other fringes that exist but that on the whole, the Marshfield figures are equal to those existing in the other three cities.

As is stated in footnote "d" of Table 2, two salary schedules are shown in the Wausau agreement. The arbitrator believes that the one chosen by the City is the appropriate one as most Wausau bargaining unit policemen are covered by that schedule, and he, therefore, will use that rate in his calculations.

The difference between the Association and City figures for Wisconsin Rapids apparently arises from the City use of the wage paid at the two-years-of-service step of the wage schedule and the Association use of the five-years-of-service step. Since the patrolmen reach the five year step automatically and this is the maximum rate for patrolmen, the arbitrator believes that this is the figure with which to compare. He acknowledges, however, that the Marshfield patrolmen reach the maximum step in 18 months and that it is not unreasonable to compare the Marshfield rate with the rate paid in Wisconsin Rapids to patrolmen with approximately the same amount of service.

Table 3, below, shows how the salaries of Marshfield policemen compare with those in the other three cities after making the assumptions and adjustments previously described.

Table 3

<u>City</u>	<u>Monthly Salary</u>		<u>Increase</u>
	<u>1973</u>	<u>1974</u>	
Stevens Point	\$701.27	\$752.70	\$51.43
Wausau	780.12	816.12	36.
Wisconsin Rapids	810.58	860.58	50.
Average	\$763.99	\$809.80	\$45.81
Marshfield	\$755		
City Proposal		\$800	\$45
Association Proposal		\$816.50	\$61.50

From the table, one can see that the Marshfield policemen were approximately \$10 a month behind the average of the other three cities in 1973, and, under the City proposal will continue to be about that far behind. Under the Association proposal, the Marshfield policemen will move ahead of the three city average by approximately \$7. It should be recognized that comparisons of wages only may not fully reflect differences in compensation because fringes are not identical and may

actually offset differences noted here, or may make them even larger. In any case, assuming that the above figures are approximately correct and that it is also correct to assume that fringes are approximately equal, an increase of about \$55 per month would bring Marshfield salaries up to the three city average calculated above. Under the form of arbitration selected by the Association, however, the arbitrator is not free to fashion his own award and select such a figure but must pick one of the two proposals before him.

Before proceeding to do so, several additional points should be noted. The Wausau \$36 increase was negotiated in 1972 as the second year increase of a two year agreement and reflects the 5 and 1/2% increase pattern that existed at that time. This pattern has gone by the boards in recent days because of the demise of wage controls and the greater than anticipated inflation in 1973 and 1974. It may be slightly unfair therefore to use this figure in a comparison to determine wages of Marshfield policemen. Furthermore, I suspect that the Wausau policemen will be demanding a substantial catchup increase in 1975 because of their relatively low increase for 1974.

Also, it should be noted that the population of Marshfield is less than that of any of the three cities with which it is being compared. And finally, that, according to the City, the \$45 offer to the Association is in line with the settlements that the City has made with other groups of city employees. The fire-fighters settled for \$45 -- and there is a long history of parity between Marshfield firefighters and policemen; the employees in the City garage settled for \$39.80, and the command police officers of Marshfield settled for \$50. The City argument that their relations with other groups would be damaged if they gave greater increases to policemen than they did to other employees is a significant one -- but so also is the cost-of-living-based Association argument in support of the opposing point of view.

On the basis of the views expressed in this discussion section and with full consideration of the evidence and arguments of the City and the Association, the arbitrator believes that the City proposal should prevail. Neither proposal is unfair, either could have been selected, but, for the following reasons, the arbitrator believes that the arguments in favor of the City position are slightly stronger than those favoring the position of the Association.

The wage increase granted to other employees of the City are of the same approximate size as the offer made by the City to the Association. The increases gained in the private sector in the Marshfield area (see Table 1) are closer to the proposal of the City than to that of the Association. The increases gained by policemen in Stevens Point, Wausau and Wisconsin Rapids are also closer to the increase called for in the City proposal than to the increase specified in the Association proposal.

Although the Marshfield wage scale is slightly lower than that of the average of the three other neighboring cities cited throughout this discussion, the difference is not so great as to justify the size increase proposed by the Association. In fact, if the arbitrator had used the two-year step at Wisconsin Rapids, as proposed by the City, the 1974 average rate in the three neighboring cities would have been almost identical with the 1974 Marshfield rate proposed by the City.

The Association arguments in support of its proposal rest primarily, therefore, on the substantial increases in cost-of-living that occurred in 1973, and which are continuing on into 1974. The arbitrator believes, however, that the other factors cited above outweigh this factor. Furthermore, the Association should recognize that wage increases in the private sector have not kept pace nationally with the increase in cost-of-living and that deterioration in real wages of members of the Association may be less than that which has occurred nationally. Also, some part of the increase in the consumer price index is attributable to such items as increases in the cost of health care and that, under the contract between the parties, these costs are borne mainly by the City rather than by the employees.

AWARD

On the basis of the facts and arguments presented at the hearing and for the reasons explained in the above discussion, the arbitrator finds that the final offer of the City is more reasonable than that of the Association and therefore orders that the final offer of the City as set forth previously in the ISSUE section of this opinion be incorporated into the agreement of the parties and be placed into effect.

7/31/74

July 31, 1974

James L. Stern /s/

James L. Stern  
Arbitrator