

STATE OF WISCONSIN

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

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In the Matter of the Petition of the : :
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MENOMONIE PROFESSIONAL FIREFIGHTERS : : ARBITRATION AWARD
ASSOCIATION LOCAL 1897, I.A.F.F., : :
AFL-CIO, CLC : : Case XXI
: : No. 18477 MIA-121
For Final and Binding Arbitration : : Decision No. 13208-A
Involving Firefighting Personnel : :
in the Employ of the : :
: :
CITY OF MENOMONIE : :
: :

HEARING. February 3, 1975, City Hall, Menomonie, Wisconsin, beginning at 10:00 a.m.

APPEARANCES. For the Union: Edward Durkin, Vice President, I.A.F.F.; Daniel Hanson, Secretary, Local 1697, I.A.F.F.; Jeffrey A. Reames, President, Local 1697; James W. Vaver, Treasurer, Local 1697.

For the City: George A. Langmack, City Manager.

BACKGROUND. The Menomonie Professional Firefighters Association, Local 1697, I.A.F.F., AFL-CIO, CLC, filed a petition on November 8, 1974, with the Wisconsin Employment Relations Commission requesting that the Commission initiate compulsory final and binding arbitration pursuant to Section 111.77 (3) of the Municipal Employment Relations Act, for the purpose of resolving an impasse arising in the collective bargaining between the Petitioner and the City of Menomonie on matters affecting the wages, hours and conditions of employment of firefighting personnel in the employment of the City of Menomonie. An informal investigation was conducted on December 6, 1974, by WERC Commissioner Zel S. Rice II, and thereafter the Commission in a Findings of Fact concluded that an impasse within the meaning of Section 111.77 (3) of the Municipal Employment Relations Act existed and therefore it certified that the conditions precedent to the initiation of compulsory final and binding arbitration as required by Section 111.77 were met, and the Commission ordered that final and binding arbitration be instituted as required by the statute.

The Union and the City were ordered to file in written form the final offers as of December 6, 1975, on the issues remaining in said negotiations. On December 26, 1974, Mr. Morris Slavney, Chairman of the Wisconsin Employment Relations Commission notified Frank Zeidler, Milwaukee, Wisconsin, that he was appointed arbitrator, having been selected by the parties.

THE ISSUES. On December 21, 1974, Jeffrey A. Reames, President, Local 1697, I.A.F.F., sent the Wisconsin Employment Relations Commission a letter with the following text pertinent here:

"The following is the final offer, as of December 6, 1974, by the Menomonie Professional Firefighters Association, Local 1697, IAFF, AFL-CIO, CLC, to the City of Menomonie, on issues remaining in negotiations:

"Monthly Base Wages. Present \$595 -\$621 -\$649 -\$682 - \$713
Proposed 655 - 689 - 727 - 771 - 813

"Health Insurance. Employer to continue 100% payment of premiums for employee and family coverage under existing hospitalization-major medical plan plus picking up the rider for diagnostic-ex-ray-lab that is currently being paid by the employees."

On December 20, 1974, Mr. George A. Langmack, City Manager of the City of Menomonie, sent in the City's final offer in a letter of which the following is pertinent here:

"The following is the final offer, as of December 6, 1974, by the City of Menomonie to the Menomonie Professional Fire Fighters Association Local 1697, IAFF, AFL-CIO, CLC, on issues remaining in negotiations:

"Monthly Base Wages. Present: \$595 -\$621 -\$649 -\$682 -\$713
Proposed: 649 - 681 - 714 - 746 - 779

"Health Insurance. Continue employer payment of premiums for employee and family coverage under existing hospitalization - major medical plan.

"Holidays. Increase payment for the existing seven and one-half (7 1/2) holidays from one-half daily pay per holiday to full daily pay per holiday."

At the hearing on February 3, 1975, two changes in the above offers occurred. The Union sought to amend the final offer with the following offer contained in a letter of February 3, 1975:

"WAGES:

"Monthly Base Wages as of January 1, 1975

Step				
A	B	C	D	E
649	681	714	746	779

Monthly Base Wages as of July 1, 1975

A	B	C	D	E
655	689	727	771	813

2. Health insurance.

City to pay rider for diagnostic-x-ray-lab that is currently in effect for all City Employees.

3. All other items agreed upon during negotiations."

The arbitrator refused to accept this amended offer as being untimely under the terms of the statute, unless the City accepted the new offer as a substitute final offer. The City Manager, after perusing the offer, accepted its admission as a substitute, and thus the foregoing became the Union's final offer.

The City Manager, on his part, stated that the matter of holidays as stated in his final offer was agreed upon and that item was dropped as an issue. Thus two issues remained: wages and an item in health insurance.

WAGES - THE CITY'S POSITION. The City's proposal on wages is repeated here:

Monthly Base Wages

Present: \$595 - 671 - 649 - 682 - 713
Proposed: 649 - 681 - 714 - 746 - 779

The city holds that at the fifth step, the actual increase in pay including other benefits is a 13.2% increase, not just a 9.3% increase as shown by the dollar increase from \$713 to \$779. It states that this increase of 13.2% is due to increased fringe benefits.

According to the City, the fringe benefits include a cost of \$2.97 that the City will pay for a payment for the employee into the Wisconsin Retirement Fund on the basis of an increase of \$66 in the basic wage at the top of the scale, an increase of \$24.08 per month over a 12 month period for holiday pay for an employee in the top step, and another \$1.08 for retirement on this holiday benefit.

The City holds that the increase of 13.2% is comparable to the increases given to firefighters in other municipalities in the area. The City further states that this wage offer must be considered in context with other matters. The City acknowledges that it did offer a higher scale of five steps, beginning at \$678 at the first step and ending at \$813 at the fifth step, but made this offer in connection with a simultaneous proposal to initiate a new schedule for its three platoons of fire fighters, which schedule would begin at 7:00 a.m. and end at 5:00 p.m., with a second shift starting at 5 p.m. and ending at 7 a.m. - the so-called 10-14 schedule.

The City stated it offered the firefighters this type of schedule in order for the city to ultimately help itself meet new costs under the Fair Labor Standards Act which would ultimately cause the city to be liable for more overtime under the present schedule. The present schedule permits the city to employ firefighters for 240 hours in a 28 day period, but this level must be reduced in stages to 232 hours and then to 216 hours. The City felt that by instituting a new schedule it could avoid excessive overtime and therefore offered a higher schedule to firefighters for an inducement. When the firefighters rejected the schedule proposal, the City then offered a lower scale.

The City notes that its 1975 operating budget is up to \$2,297,000 from \$1,893,000 in 1974. Its cost for the fire department amounts to \$203,147. The total assessed valuation of the City is \$61,000,000 and the tax rate is \$34 per \$1000 of assessed valuation based on an assessment which is about 75% of full value.

The City asserts that a large part of its current population of 10,100 people consists of students and the elderly - perhaps 50% - and a large part of the property serviced is property of the State of Wisconsin. According to the City, only 22% of the people are wage earners, and the City states that the Department of Housing and Urban Development in making a study for a grant some years ago stated that the average income per family was only \$4,900 per year.

The City asserts that its offer to the firefighters is higher than its offer to the other organized employees, and any increase which goes to the firefighters will have an impact on the City through employees' demands in the following year.

WAGES - THE UNION'S POSITION. The Union's final proposal for wages is as follows:

Proposed 1/1/75 to 6/30/75

Steps					Rate of Increase
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	
649	681	714	746	779	9.3%

Proposed 7/1/75

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	Rate of Increase
655	689	727	771	813	

Average Rate of Increase 10.9%

The Union notes that under its proposal, the proposal is the same as that of the City for the first six months. For the second six months the Union states that its proposal will cost the City \$338 a month more, for six months, or a total of \$2028 for wages for the year above the City's proposal. It bases its calculations on the following

2 employees, \$6 per month each	\$ 12
1 employee, \$8 per month	8
3 employees, \$13 per month each	39
3 employees, \$25 per month each	75
6 employees, \$34 per month each	204
Total per month	<u>\$338</u>

The Union submitted the following schedule of payments which it states are being made by similar cities in Wisconsin, along with comparisons. This schedule is page 6 of Exhibit 1.

COMPARISON OF WAGES FOR 1975

Fire Departments in West Central area of Wisconsin

	<u>START</u>	<u>TOP</u>
Eau Claire	748	917
Chippewa Falls	733	816
Rice Lake	740	755
	<hr/>	<hr/>
Average	740	829
City and Union 1-1-75	649	779
Difference	-91	-50
Union 7-1-75	655	813
Difference	-85	-16

Wisconsin Fire Depts in Cities of less than 15,000 population

	<u>Start</u>	<u>TOP</u>
Rice Lake	740	755
Chippewa Falls	733	816
Marinette	752	782
Oak Creek	967	1089
Antigo	-	742
Two Rivers	733	860
Rhineland	731	779
Ashland	669	737
	<hr/>	<hr/>
Average	761	820
City and Union 1-1-75	649	779
Difference	-112	-41
Union 7-1-75	655	813
Difference	-106	-7

The Union also submitted information on the Consumer Price Index for 1974 from the Department of Labor which showed an annual price increase for 1974 of 12.2%

The Union also notes that firemen in the City employ are paid considerably less than policemen and the Union implies that the gap should be lessened.

The Union makes the following argument for its proposal on wages especially:

1. The proposal is reasonable and within the ability of the City to pay.
2. The Union salary cost will be less than the original offer of the City.
3. The firefighters are being paid nearly \$1000 less than policemen.
4. The request of the Union approximately reflects the rise in the cost of living.

HEALTH BENEFITS - CITY'S POSITION. The City does not propose to pay a rider on employees' insurance, the nature of which rider has been described above. The City states that although other employees of the City received this benefit, they obtained it though their rate of increase was not as much as the City is offering the firefighters, and they obtained the City payment of the rider as a part of a package which was less than the one under consideration.

HEALTH BENEFITS - UNION'S POSITION. The Union proposes that the City pick up the cost of the insurance rider described above. The Union states that the cost per month per person would be \$3.84 or a total cost of \$691.20 a year. The Union states that other employees have this benefit, and not to make this payment for firefighters when others get it would be discriminatory and unfair.

TOTAL COST OF THE UNION PROPOSAL. The total cost of the Union proposal is thus:

Wages	2028
Insurance	691
	<hr/>
Total	\$2719

The Union states that this cost amounts to a monthly dollar difference of \$15.10, or a 1.7% increase in firefighters pay.

DISCUSSION. In this discussion, matters contained in Section 111.77 of the Wisconsin Statutes will be considered. Among the matters which an arbitrator is enjoined to give weight to are these:

"(a) The lawful authority of the employer.

"(b) Stipulation of the parties.

"(c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.

"(d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally.

"1. In public employment in comparable communities.

"2. In private employment in comparable communities.

"(e) The average consumer prices for goods and services, commonly known as the cost of living.

"(f) The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

"(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

"(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment...."

Concerning the matter of the lawful authority of the employer, none of the issues appears to challenge or interfere with the lawful authority of the employer, such as in determining mission, means, staffing or similar matters.

Concerning the stipulation of the parties, the parties have reached substantial agreement, leaving only two issues.

Concerning the interests and welfare of the public and the financial ability of the unit of government to meet the costs, there are two matters here. One matter involves the welfare of the public. It is in the welfare of the public in the City of Menomonie to have fair compensation for such professional firefighters as the City hires. The City has a number of state buildings and the firefighters have a serious charge since most of these buildings are schools.

Concerning the ability of the City to pay, the arbitrator takes note of the contention of the City that less than a quarter of its residents earn incomes, and that the average income per family recently was only \$4,900.

However, the amount involved in the dispute is \$2719 for 1975, and this is about 1.33% of the \$203,147 fire department budget.

The immediate impact on City costs does not appear great since the impact on other employees is not likely to be felt until negotiations in 1975, no matter which proposal is adopted.

The City populations appears to have declined since 1970 from 11,275 to about 10,100 which will affect the amount received from the state in certain state aids. The City did not give the amount of a decline in aids which it anticipated.

Concerning comparisons with pay in other cities, from the table supplied by the Union, Exhibit 1, page 6, the starting pay offered by the City is lower than in all of the cities cited, and the top pay offered by the City exceeds the current pay in three of the comparable communities.

The Union has included in its weighting the City of Oak Creek, an industrial community in the Milwaukee metropolitan area. The arbitrator excludes this evidence as not being comparable to the conditions in Menomonie. However the arbitrator accepts as comparable the evidence on the pay of fire fighters in Chippewa Falls, which is in the region of Menomonie. The Chippewa Falls rates are probably influenced in turn by the rates paid in Eau Claire, a city of 44,619 people in 1970.

The proposed Union top rate of \$813 is comparable to the top rate said to be paid in Chippewa Falls. This rate would exceed the rates of all comparable communities except Chippewa Falls and Two Rivers which is not in the Menomonie region.

If the Oak Creek pay is deleted from the scale of pay of Wisconsin cities of less than 15,000, as reported by the Union in Exhibit 1, page 6, much different averages result. The average for top pay then is \$781 and the low average is \$726. Under these averages the City's offer is \$2 less at the top and \$77 less at the bottom. With the Union proposal in the last six months compared to the averages, the Union proposal exceeds the average at the top by \$32 and is less at the bottom by \$71.

Considering the lower starting rate in Menomonie and recognizing that the Union's proposal at the top is considerably above the average, yet considering the proximity of Menomonie to Chippewa Falls and Eau Claire, the Union proposal on wages does not appear drastically out of line.

Concerning the average consumer prices, the Union testified that the cost of living rose in the Minneapolis area 13.1% in 1974, and the Union supplied a U.S. Department of Labor report showing that the average increase in cost of consumer items in 1974 was 12.2%. The Union notes that its proposal would average 10.9% for wages, as compared to the City average of 9.3%.

The City states that with its fringe benefits including holiday pay and additional payments into the retirement fund, the City would be paying 13.2% for the total package at the top step. The Union offered no testimony on what the total package would be. If fringe benefits were included as reported by the City, the arbitrator believes that at the top step the increase would be around 18%, derived from a basic wage increase of \$100, plus \$24.08 for holiday pay, plus two different amounts of \$2.97 and \$1.08 (which may be even higher) for retirement, plus \$3.84 for insurance.

The foregoing material is important and can not be ignored. Comparable benefits for other cities were not shown by the firefighters and their case is weakened by this lack of comparability of fringe benefits in the total package. The arbitrator is on shaky ground if he assumes comparability of other benefits in addition to base pay for firefighters in other cities. The offer of the City thus appears to be more conformable to the rise in the cost of living than if the base wage alone is considered.

Concerning changes in factors such as the foregoing, while these matters have been pending, there is a general belief that the cost of living has been rising because of the rising cost of energy.

Concerning other factors, the matter of parity between firefighters and policemen has been raised by the Union indirectly in pointing to the large salary differential between policemen and firefighters in the City of Menomonie. The City notes, however, that parity has not existed here. However the differential appears quite large and this is a factor tending to support the Union proposal in spite of a large percentage increase which the proposal represents at the top of the scale.

Weighing all the factors together it is the arbitrator's conclusion that under the criteria of judgment set forth in Section 111.77 of the Wisconsin Statutes, the Union's proposal for the two items to be placed in the contract between the parties for 1975 is most justified. While the top of the scale as proposed by the Union seems out of line when fringe benefits are included, yet the starting pay is well below the average and the differential between firefighters and policemen is large, and the proposed pay is comparable to nearby Chippewa Falls. The insurance rider is a minor factor, but not to grant it would appear discriminatory.

AWARD. The proposal of the Menomonie Professional Firefighters Association Local 1897, I.A.F.F., AFL-CIO, CLC, for wages and for method of paying an insurance rider as set forth in the offer of February 3, 1975, shall be incorporated into the contract between Local 1897 and the City of Menomonie.

Frank P. Zeidler /s/

Frank P. Zeidler

Arbitrator

February 12, 1975