

In the Matter of the Petition of *
 *
 TEAMSTERS UNION LOCAL NO. 695 *
 *
 vs. *
 *
 CITY OF DODGEVILLE *
 *
 Re: Final-Offer Binding Arbitration*
 Involving Dodgeville Policemen *
 * * * * *

WERC Case I, No. 18479
 MIA - 122
 Decision No. 13217-A
 ARBITRATION OPINION & AWARD
 Arbitrator: James L. Stern

BACKGROUND

On November 12, 1974, Teamsters Union Local 695, hereinafter identified as the Union, filed a petition with the Wisconsin Employment Relations Commission (WERC) involving the law enforcement personnel of the City of Dodgeville, stating that it had reached an impasse on wages and other matters in its negotiations for an initial Agreement with the City of Dodgeville, 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 December 5, 1974, and, finding that an impasse still existed, issued an order for arbitration dated December 18, 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 December 26, 1974 appointing him as the impartial arbitrator.

Copies of the final-offers of the City and the Union were filed in writing with the WERC and transmitted to the arbitrator in early January, 1975. By agreement of the parties and the arbitrator an informal pre-hearing conference was held on January 27, 1975 for the purpose of discussing procedural matters and to facilitate the amending of offers and reducing the number of issues in dispute. Amended final offers were exchanged, post-marked no later than February 7, 1975 and the hearing on the remaining issues was convened in the Iowa County Courthouse, Dodgeville, Wisconsin on February 14, 1975.

Appearing for the City was Mr. James R. Pope, City attorney; appearing for the Union was Mr. Merle Baker, Business Representative, Local 695. The parties stipulated at the hearing that they were agreed upon all provisions for the 1975 Agreement except for the two issues noted below. The hearing was not transcribed. Exhibits were submitted and closing arguments were made orally.

ISSUES

The 1975 monthly salary schedules proposed by the City and the Union are as follows:

| | <u>Classification</u> | <u>Hiring Rate</u> | <u>6 months</u> | <u>Job Rate (12 Mos.)</u> |
|----------------|-----------------------|--------------------|-----------------|---------------------------|
| City Proposal | Patrolman | \$630 | \$680 | \$729 |
| Union Proposal | Patrolman | \$650 | \$700 | \$750 |

In addition to the impasse about the salary schedule, the parties disagree about the portion of the employees 6% contribution to the retirement fund which should be paid by the City. The City proposes to pay half of it--which would mean that the employee contribution would be 3% of his salary and that the City would pay the remaining 3%. The Union proposes that the City pay the entire 6%. In total, the difference between the parties is approximately \$43 per month, half of which involves salary and half of which involves the payment by the City of the remaining half of the employee's pension contribution.

DISCUSSION

The City contends that it proposes to increase total compensation for 1975 by a percent that far exceeds the increase in cost of living during the past year. It further contends that, although patrolmen compensation may have been somewhat low in the past, its offer for 1975 brings this up to somewhere in the middle range of what is paid by other comparable municipalities. The Union, on the other hand, contends that its proposal will only bring the compensation level about half the way up to what it considers proper compensation for patrolmen.

Neither the City nor the Union introduced evidence concerning private sector wages in the area, wages of other City or county employees, or material concerning the relative wealth of communities and their ability to pay. Essentially, the argument relied upon by each side is that its proposal will provide compensation for the patrolmen that is comparable to the compensation paid to patrolmen in other similar cities in the same general geographic area. The City argument is further buttressed by its contention that its proposal reflects a sizable increase, and that this factor should be taken into account in assessing whether it has offered to raise compensation to the general level maintained in other similar communities.

The attached Table 1, based on the exhibits of the City and the Union, supplemented by information from the 1970 census shows the total employer cost for monthly salary plus employer share of hospital-medical insurance plus employer payments toward the employee's share of his retirement fund contribution in the communities cited by the City and the Union and under their respective proposals. Totals should be regarded as approximate magnitudes because it was necessary to estimate costs based on incomplete data.

Attention is directed to certain aspects of Table 1. Census data show that 1970 median family income in the four cities cited by the City range from 72% to 90% of the median income in Dodgeville. These data suggest that Dodgeville is clearly better off than the communities with which it has compared itself. It is important to note also that two of these communities, Darlington and Fennimore are under 2500 in population and, therefore, are not subject to the provisions of Ill.77. Also, it appears that salaries in those two cities are set unilaterally by council ordinance and that police in those cities do not engage in collective bargaining. In the third city, Richland Center, the data are for 1974. They suggest that the 1975 figures will come much closer to the level suggested in the Union proposal than to that suggested by the City. Even in Boscobel, which is smaller and has an income level approximately 72% of the Dodgeville level, the top rate is the same as that proposed by the Union in Dodgeville. Also, the total costs in Darlington are greater than those which would be incurred by Dodgeville under the Union proposal. On the whole, the City comparisons do not provide strong support for its position.

The average of the median incomes in the three cities cited by the Union is about 93% of that in Dodgeville while the average of the top rates in these three cities is 10% higher than that proposed by the Union in Dodgeville. These figures suggest that the Union proposal is a reasonable one. It is recognized that the Union has chosen three cities which are, on the average, almost 50% larger than Dodgeville and that the duties of policemen in larger cities may be more onerous than those in smaller cities. On the other hand, the three smallest cities cited by the City are only about two-thirds the size of Dodgeville. The arbitrator recognizes that Table 1 does not take into account differences in other fringes such as holidays, vacation, shift premium and uniform allowances but does not believe that inclusion of these items would alter appreciably the results of the basic comparisons.

From the data furnished by the City and the Union, the arbitrator believes that he has been given a good idea of the salary and fringes paid to policemen in similar cities in the general area of Dodgeville. It is assumed that there aren't other cities in the 3000-4000 population bracket in the area with which to compare, or one of the two sides would have done so. On the basis of the comparable rates and fringes in the cities cited by the Union and the City, the arbitrator believes that the Union position should prevail.

Table 1: Salary, Employer Payment of Employee Pension Contribution, and Employer Payment of Hospital-Medical Insurance Premium in Dodgeville under the Union and City Proposals, and in nearby Cities.

| City | Population ¹ | Median Annual Income ¹ | Monthly Maximum Patrolman Salary | City Contribution To: | | Total |
|------------------|-------------------------|-----------------------------------|----------------------------------|-------------------------------|------------------------------------|-------------------|
| | | | | Employee Pension Contribution | Hospital Medical Insurance Premium | |
| Boscobel | 2510 | \$7046 | \$750 | -- | \$59 ² | \$809 |
| Darlington | 2351 | 7734 ³ | 738 | \$44 | 59 ² | 841 |
| Fennimore | 1861 | 8464 ³ | 640 | -- | 56 | 696 |
| Richland Center | 5086 | 8750 | (690) | (41) | 59 ² | (790) (1974 Data) |
| Dodgeville | 3255 | 9750 | | | | |
| (1974) | | | (675) | -- | -- | (675) (1974 Data) |
| City Proposal: | | | 729 | 22 | 39 | 790 |
| Union Proposal: | | | 750 | 45 | 39 | 834 |
| Reedsburg | 4585 | 9354 | 825 | 50 | 59 ² | 934 |
| Prairie du Chien | 5540 | 7613 | 750 | -- | 47 | 797 |
| Edgerton | 4118 | 10122 | 896 | 25 | 59 ² | 980 |

¹ Population and Income data taken from 1970 Census of Population, Volume 1, "Characteristics of the Population", Part 51, Wisconsin, Tables 6 and 42. Other data taken from exhibits of the City & Union.

² Exhibits show full payment of premium by employer but actual amount not known. In those instances, the cost of the full premium in Dodgeville is used as an approximation of what it costs in the other cities.

³ The census tables do not show the median annual income of cities of less than 2500. Therefore, the income figures shown are for the county in which the city is located. Actual income in the city may be lower or higher than the county average and these figures should be regarded as approximations.

There is, in addition, however, the question of whether the City has done enough in one year. The City noted at the hearing that its offer improves wages and hours over last year in the following significant respects: (a) reduces the workweek from 48 to 40 hours approximately, (b) provides time-and-a-half for overtime, (c) increases the top rate by 8% from \$675 to \$729 per month, (d) increases take home pay even further by picking up approximately \$21 of the \$42 per month that the employee would otherwise contribute from his after tax income as his contribution to the retirement fund, (e) provides hospital-medical insurance valued at about \$60 per month for a married person and pays two-thirds of this premium. Conservatively, this represents an increase of about 17%, or \$115 per month, in addition to a reduction in the work week.

The arbitrator does not believe, however, that this is sufficiently important to persuade him to select the City's proposal. The City should keep in mind that its argument can be reversed. If it takes such a large increase to bring it up to the level paid in comparable cities, it means that in the past the City has been paying wages that are far below the comparable cities and that, therefore, there is all the more reason now to completely catch up. That is, the large cost of catchup can be cited as an indication of the sizable past savings made by the City by underpaying its police as well as an indication that it has done enough for one year.

AWARD

On the basis of the evidence and arguments presented by the City and the Union, supplemented by income and population census data, and with due weight being accorded to the factors listed in the statute, the arbitrator selects the Union offer on the items in dispute as set forth in the ISSUE section of this award, and hereby orders that the Union's final offer as amended be placed into effect.

2/19/75
February 19, 1975

James L. Stern /s/
James L. Stern
Arbitrator