

STATE OF WISCONSIN

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Petition of :
 :
LOCAL NO. 400, FOND DU LAC FIREFIGHTERS :
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS : Case XXVI
 : No. 18532 MIA-128
For Final and Binding Arbitration : Decision No. 13248-A
Involving Firefighting Personnel :
in the Employ of the :
 :
CITY OF FOND DU LAC :
 :

AWARD IN FINAL AND BINDING ARBITRATION

APPEARANCES.

For the Union:

EDWARD D. DURKIN, Vice President, International Association of Fire
Fighters, 5606 Old Middleton Road, Madison, Wisconsin

CHARLES L. BUSS, Vice President, Local No. 400, IAFF, 501 Prairie Ave.,
Fond du Lac, Wisconsin

For the Employer:

NEIL GUNDERMANN, 6617 Seybold Road, Madison, Wisconsin

WILLIAM J. WAGNER, Director of Personnel, City of Fond du Lac,
City Hall, Fond du Lac, Wisconsin

HEARING. A hearing in the above entitled matter was held in Fond du Lac, Wisconsin
at the City Hall, on February 18, 1975, beginning at 10:00 a.m.

BACKGROUND. Local 400, Fond du Lac Firefighters, petitioned the Wisconsin Employment
Relations Commission on November 27, 1974, to initiate final and binding arbitration
pursuant to Section 111.77, Wisconsin Statutes, in an impasse in collective bargaining
between the Union and the City of Fond du Lac as a Municipal Employer. The petitioner
asked that the arbitration be limited to the entire last and final offers.

On December 11, 1974, the Commission issued an order requiring arbitration.
It found that an impasse within the meaning of Section 111.77 (3) of the Municipal
Employment Relations Act existed between the parties, certified that the conditions
precedent to the initiation of compulsory, final and binding arbitration existed,
and ordered such arbitration.

The parties selected Frank P. Zeidler, Milwaukee, Wisconsin, as arbitrator
and the Commission appointed him arbitrator on January 15, 1975.

The sole issue between the parties was the matter of wages for 1975. A two
year contract existed with a wage reopener.

In this matter the City's final offer was made on December 17, 1975. It
was as follows:

WAGES

<u>Position</u>	<u>Amount per month</u>
Firefighter	\$91.00
Driver	92.00
Lieutenant	96.00
Captain	100.00

The Union made an offer on December 14, 1975. It was as follows:

WAGES

<u>Position</u>	<u>Amount per month</u>
Firefighter	\$105.00
Driver	110.00
Lieutenant	115.00
Captain	120.00

On February 11, 1975, the Union made an amended offer, which offer came within the limits of a statutory deadline for amended final offers. This amended offer was as follows:

<u>Position</u>	<u>Amount and Effective Date</u>	
	1 January, 1975	1 July, 1975
Firefighter	\$ 91.00	+ \$ 9.00
Driver	92.00	+ 12.00
Lieutenant	96.00	15.00
Captain	100.00	20.00

The above amounts reflect dollars per month per man above the current base pay. Some 69 employees are involved.

POSITION OF THE UNION. The Union offered two exhibits. However, the first contained 27 pages and was a composite of exhibits on various issues. The arbitrator is dividing these issues into groups related to the guidelines prescribed in Section 111.77 (6) of the Wisconsin Statutes.

1. The lawful authority of the employer. The Union holds that there is no question about the lawful authority of the City to grant the wages rates proposed by the Union.

2. Stipulations of the parties. The Union states that very little was stipulated into the record between the parties. The Union agrees that an amount of \$6.11 for fringe benefits that automatically arose in the second year of the two year contract is correct. It does not believe that this cost should have been made a part of the Employer's wage package and costed into what the Employer was offering.

The Union also does not dispute an Employer figure of \$3.89 as a cost for improving vacations this year, but feels that this amount also should not be costed into the package of the City since the Fond du Lac police have had this type of vacation benefit for years.

Similarly the Union does not believe that a cost figure of 86¢ charged for education should be a part of the cost of the package because there was no evidence given that educational costs for the police were costed against the package they received.

3. The interests and welfare of the public and the financial ability of the unit of government to meet the costs.

The Union holds that the record clearly shows that the City of Fond du Lac has the financial ability to meet the Union offer. Union Exhibit 1, page 25, is a copy of a newspaper account from the Fond du Lac Reporter of an unspecified date in January, 1975. This account states that taxes in 14 other comparable communities in Wisconsin were higher than those in Fond du Lac. The City's effective tax rate for 1975 was \$36.48 per \$1000 assessed valuation, and on an equalized basis the rate was \$25.27 per \$1000. The equalized rate was \$1.15 below the average for 20 other cities of similar character.

In this news story the City Manager, Myron J. Medin, Jr., is quoted as saying that

"Tax rates, while not the leading factor in industrial location, can have an influence when other factors are nearly equal....The fact that our rate is the lowest of the Fox River Valley communities certainly should prove advantageous in competing for industry interested in this region."

The article further showed a drop in equalized valuation of Fond du Lac from the highest among 20 cities to 16th among those cities presently.

Union Exhibit 1, page 26, is also a news account from the Fond du Lac Reporter of November 29, 1975, entitled "Looking at budgets and tax rates." This news story lists in columns the expenditures, net levies, and tax rates of Fond du Lac County, the School District No. 1, and the City Government of Fond du Lac for the years 1965 to 1975 inclusive. The gross expenditures of Fond du Lac County increased from 1971 to 1975, but the tax rate decreased. The gross expenditures of the school district increased from 1971 to 1975, the net levy increased, but the rate declined from 1971 to 1975. In the city government the gross expenditures went from \$6.0 million in 1971 to \$8.6 million in 1975. The net levy went from \$2.7 million to \$3.5 million in 1975. The tax rate went from \$12.95 per \$1000 in 1971 to \$14.04 in 1975. The net tax rate in 1971 was \$43.36 and it dropped steadily to \$34.16 in 1974, and then rose to \$36.48 in 1975.

Union Exhibit 1, page 27, showed the percentage increase of the proposals for 1975. According to this exhibit, the Fire Department pay roll for the bargaining unit in 1974 was \$752,652. Under the City's proposals, the following would be the costs:

Firefighters, 39 @ 97.11	\$3878 per month
Drivers, 15 @ 98.11	1471
Lieutenants, 9 @ 102.11	918
Captains, 6 @ 106.11	636
Total	<u>6814 per month</u>

\$81,775 per year

To this cost the Union's offer would produce the following additional costs:

Firefighters, 39 @ 9.00 for 6 mo.	2106	
Drivers, 15 @ 12.00 for 6 mo.	1080	
Lieutenants, 9 @ 15.00 for 6 mo.	810	
Captains, 6 @ 20.00 for 6 mo.	720	
Total for 6 mo.	<u>4716</u>	Additional for year

Total for year : 81,775 + 4716 = 86,491

Percentage difference for year	0.6%
Average monthly cost per man	
City's offer	98.75
Union's offer	104.75
Difference per month per man	5.70

The Union states that the City's proposals represent a 10.92% increase over the 1974 costs, and that its own proposals represent a 11.52% increase. The arbitrator calculates these figures to be 10.86% and 11.49% respectively.

The Union notes that City taxes have been getting progressively better for the people of Fond du Lac, and while the city officials are to be commended for this, the Firefighters should not be subsidizing their fellow taxpayers by receiving less than they are entitled to.

The Union notes that after submitting the copy of the 1975 city budget, the City did not allude to anything in this budget that would not permit the City to grant the Union request.

The Union notes that some arbitrators in the past have ruled solely on the issue of the employer's ability to pay, and that in the instant matter the arbitrator has to consider the Union's position as the more reasonable one in this issue.

4. Comparison of wages, hours and conditions of employment in public employment in comparable communities and in private employment in comparable communities.

Comparison with other City of Fond du Lac employees, especially police. In Union Exhibit 1, pages 1 to 11 are devoted to a comparison between pay for Firefighters and pay for Policemen in the City of Fond du Lac. The burden of these exhibits is to indicate that not only has there not been parity between the services, but that the disparity which has existed has grown greater.

The historical development of the increase of disparity as the Union sees it is described in Exhibit 1, pages 1 to 8 inclusive. The Union states that it believed that there was a verbal agreement to maintain a specific disparity between Firefighters and Policemen. The Union states that in August, 1967, the Union and the City were at odds over parity between Firemen and Policemen. The Union states that the City stood fast on a position which it derived from a state Board of Personnel recommendation, namely that there should be a \$20 a month disparity in favor of Policemen, but that Fire Department Pump Operators and Aerial Drivers should receive the same pay as Policemen.

After negotiations an agreement was reached for 1968 that all Firefighters were to receive a \$60 a month increase; that Pump Operators and Aerial Drivers would get an additional \$10 a month above this, and that a survey would be conducted in 1969. This survey was to be conducted by the City and the Local, surveying all police and fire departments in state cities with a population between 20,000 and 60,000, and the comparisons were to be made on the same working hours. The findings of this survey on wages and fringe benefits would be accepted and implemented in the 1969 contract.

The Union states that the findings resulted in a situation of disparity between Policemen and Firefighters with the following conditions:

1. Firefighter Private, \$24.02 less than a Policeman of comparable rank.
2. Firefighter Lieutenant, \$24.06 less than a police officer of comparable rank, Police Sergeant.
3. Firefighter Captain, \$33.86 less than a police officer of comparable rank, Police Lieutenant.

The Union asserted that it and the City of Fond du Lac agreed to enter into this type of agreement in 1969. On this claim the Union submitted a copy of a letter from Bruce K. Patterson, Assistant to the Manager, to Mr. Charles Buss, President of Local 440, under date of February 26, 1969. In this letter Mr. Patterson said among other things,

"The City proposes the wage differentials in the Appendix attached to this letter based on the survey and discussion conducted with your organization over the past months...."

The Appendix, also introduced as an exhibit in the hearing, described how the City came to the calculations of wages to be paid and used the differentials cited above.

On page 2 of Exhibit 1, the Union makes the following assertions:

"In 1975 the disparity has risen and is as follows:

- "1. \$80.70 per month for Private (\$54.63 more than agreed to in the 1969 contract).
- "2. \$77.21 per month for Lieut. (\$52.55 more than agreed to in 1969 contract).
- "3. \$102.94 per month for Capt. (\$69.08 more than agreed to in 1969 contract)."

The Union claims on this page of the exhibit that the Union was under the impression in 1970 and 1971 that it had a verbal agreement with the City that the disparity would get no greater and so the Union signed a two year agreement. For three years thereafter the Union was held down by a price freeze, and thus the disparity grew.

Breakdown of Disparity. Pages 6, 7 and 8 of Union Exhibit 1 deal with disparity between the pay of Policemen under the 1975 contract and the pay for Firefighters in comparable rank under the 1975 contract as proposed. The disparity is summarized on page 8 of the exhibit, and a copy of the page follows here. This page summarizes the claims of disparity advanced by the Union.

Costing Against the Package. From the testimony and the Union Exhibit 1, it appears that the concept of the City offering a "package" was involved in the negotiations. In such a method of making an offer, the local government endeavors to set a dollar amount or a percentage on the previous budget beyond which it says it does not intend to go. The Union then can apply various sums or percentages for different payments of wages or benefits, but the total must not go beyond the dollar or percentage amounts offered in the package.

It is the Union's contention that the City charged fringe benefits more heavily against the package offered the Union in contracts, than against the package offered the Police. Union Exhibit 1, page 9, includes the following comment:

"The Police have had a reduction in work hours, reduced years of service to acquire extra vacation, added pay for holidays, higher degree of schooling benefits, and still the wage spread between Police and Firefighters has increased. Yet all this time the City claimed that all city employees' wages and compensations were increasing at an equal rate. Local 400 is being charged \$3.89 per month for lowering the years of service for three weeks of vacation from 10 years to 8 years, \$.86 for adding a course to our schooling benefits, and \$1.36 per month per man to acquire a \$5.00 per month increase for ambulance attendants."

Exhibit 1, page 10, is a summary of these disparities which the Union claims exist, and the page is submitted herewith.

Disparity Between Ranks in the Fire Department. Union Exhibit 1, page 11, advances an argument that a disparity has developed to unwarranted proportions between the position of Fire Department Assistant Chief and Fire Department Captain between 1968 and 1975. The Union states that the disparity was \$40.00 per month in 1968 and \$175.00 per month in 1975. The base pay of the Fire Department Assistant Chief during this period of time rose from \$715 per month to \$1294 per month. The 1968 base pay of the Captain rose from \$675 per month to \$1119 per month in 1975, thus showing a disparity of \$175.

The Union further adds that in 1968 the fringe benefits for an Assistant Chief and the Captain were the same. In 1975 this is not the case. The Union says that in 1975 assistant chiefs receive 100% paid pension, but Captains do not and must negotiate for further payments by the City. The Union says that in 1975 Assistant Chiefs receive 100% paid health insurance, while Captains must pay \$12.46 per month and must negotiate if the premiums increase.

MONTHLY DISPARITY TOTALS
by ranks

<u>DIFFERENCE IN BENEFITS CONSIDERED</u>	<u>PRIVATE</u>	<u>LIEUT.</u>	<u>CAPT.</u>
Wages	-15.79	-17.28	-43.03
Shift Premium	-11.55	-11.55	-11.55
Clothing Maintenance	-5.83	-5.83	-5.83
Holiday Pay	-11.73	-11.73	-11.73
Health Insurance	-12.46	-12.46	-12.46
Life Insurance	Same	Same	Same
Longevity	-5.00	Same	Same
Education Benefits	-20.19	-20.19	-20.19
	-82.55	-79.06	-104.79
Acting Officers Pay For Fire Dept.	+1.85	+1.85	+1.85
Total difference in disparity between police & firefighters in 1975 proposed contract	-80.70	-77.21	-102.94
Amount of disparity agreed to in 1969	24.02	24.66	33.86
Total amount of disparity not agreed to in 1975	-56.63	-52.55	-69.08

SOURCE: 1975 Police Contract & 1975 proposed F. D. Contract

POLICE DEPT. 1975 SETTLEMENT vs. FIRE DEPT. 1975 PROPOSED CONTRACT

<u>Police Contract for:</u>	<u>Wages</u>		<u>Health Ins.</u>		<u>Holiday Pay*</u>		<u>Shift Premium*</u>		<u>Total 1975 Increase</u>
Private	\$75.00	+	\$9.78	+	\$13.36	+	\$2.89	+	\$101.03
Sargeant	\$85.00	+	\$9.78	+	\$13.36	+	\$2.89	+	\$111.03
Lieutenant	\$92.00	+	\$9.78	+	\$13.36	+	\$2.89	+	\$118.03

*NOTE: Shift premium and Holiday pay are figured on an average cost per man per month. Policemen also receive 4 hours of pay for each holiday they work.

<u>Firefighters Proposed Contract for 1975</u>	<u>Wages</u>		<u>Schooling, Vacation, Amb. Pay *</u>		<u>Total 1975 Proposed Increase</u>
Private	\$91.00	+	\$6.11	+	\$97.11
Lieutenant	\$96.00	+	\$6.11	+	\$102.11
Captain	\$100.00	+	\$6.11	+	\$106.11

*NOTE: Firefighters are being charged \$6.11 for being able to attend one more school (86¢), lowering the years of service from 10 years to 8 years for 3 weeks vacation, (\$3.89), and increase ambulance attendants pay \$5.00 per month (\$1.36). Local 400 does not agree with the cost factor of \$3.89 per man per month placed on the vacation benefit.

The Union states that in 1975 Assistant Chiefs receive 4 weeks vacation upon promotion to Assistant Chief and one additional week after 25 years of service. Captains, however, receive only 4 weeks of vacation after 20 years.

Comparison of Firefighters in Comparable Cities. The Union Exhibit 1, pages 12 and 13, are comparisons of pay of various ranks of Fond du Lac Firefighters with Firefighters in the cities of Appleton, Green Bay, Sheboygan, Oshkosh and Manitowoc. The Union asserts that Fond du Lac trails all other departments in all three ranks compared. The Union says that Firefighters are paid an average of \$27 less; Lieutenants, \$60 less; and Captains, \$74 less than in other cities. The Union asserts that the Union's offer is in the nature of a catch-up.

The Union further asserts that with respect to the spread between the pay of Firefighter Privates and Lieutenants; and Privates and Captains, there is a greater average spread between these ranks in other cities than in Fond du Lac, thus indicating that the ranks of Lieutenant and Captain are also inadequately paid.

The Union states that the City's exhibits show that the average spread between Firefighter and Captain is \$155.34 and therefore the Union proposal is the more reasonable one.

The Union exhibits are here supplied for fuller exposition of the Union position.

Comparison of Fringes and Total Pay in Other Cities. The Union in Exhibit 1, pages 13 and 14, endeavored to show by charts the total income received by various classes of employees, including the items of vacation, health insurance, uniform allowance; holiday pay, paid pension, longevity and base pay.

With the item of longevity, the Union had difficulty in finding a common base for comparison. The Union stated that in the City of Fond du Lac, the average Firefighter gets \$28 a month longevity, or 40 per cent of his longevity. It then applied a formula in which the longevity pay for Firefighters in other cities was multiplied by 40% to determine what those Firefighters would receive.

Adding all the items the Union concluded that the average income per month for Firefighters in Fond du Lac was \$969.68, while in other cities the average income for this class was as follows:

Appleton	\$1021.30
Green Bay	997.87
Oshkosh	965.19
Sheboygan	1010.53
Manitowoc	928.24

The Union concluded that the average of computed total benefits including fringes were \$985 for the cities in the Fox River Valley outside of Fond du Lac, while the average total for Fond du Lac Firefighters (Privates) were \$970, indicating a \$15 less amount for the average Firefighter in Fond du Lac.

Comparison of Average Weekly Wages of Fox River Valley City Fire Departments and Production Workers. In Exhibit 1, page 16, the Union introduced an exhibit about the average weekly wages of employees in Fox River Valley city fire departments as compared to production workers in those cities. This chart is summarized:

City	Fire Dept. Wages	Hrs.	Prod. Wkrs. Wages	Hrs.	Fire Dept. Net \$
Sheboygan	\$204	56	\$189	40	+15
Appleton	211	56	194	40	+17
Green Bay	206	56	199	40	+ 7
Oshkosh	200	56	194	40	+ 6
Manitowoc	198	56	175	40	+23
Fond du Lac	198	56	216	40	-18
Aver. Wkly. Wages for Fire Depts. above those of Prod. Wkrs.					+13.60
Aver. Wkly. Wages for Fond du Lac F. D. less than Prod. Wkrs.					-18.00
Aver. Wkly. Amount in which Fond du Lac F.D. falls behind					-31.60

Union Exhibit

APPLETON

PVT	\$914.00	
LT		\$998.00
CAPT		\$1051.00

GREEN BAY

PVT	\$892.00	
LT		\$983.00
CAPT		\$1039.00

SHEBOYGAN

PVT	\$883.00	
LT		\$992.00
CAPT		\$1079.00

OSHKOSH

PVT	\$866.00	
LT		\$945.00
CAPT		\$974.00

MANITOWOC

PVT	\$860.00	
LT		\$943.00
CAPT		\$994.00

FOND DU LAC

PVT	\$856.00	
LT		\$912.00
CAPT		\$953.00

MONTHLY WAGES 800 825 850 875 900 925 950 975 1000 1025 1050 1075 1100

MONTHLY DIFFERENCE IN WAGES OTHER FOX VALLEY FIRE DEPTS. RECEIVE ABOVE THAT OF THE FDL FIRE DEPT

APPLETON	PVT + \$58.00	LT. + \$86.00	CAPT + \$98.00
GREEN BAY	PVT + \$36.00	LT. + \$71.00	CAPT + \$86.00
SHEBOYGAN	PVT + \$27.00	LT. + \$80.00	CAPT + \$126.00
OSHKOSH	PVT + \$10.00	LT. + \$33.00	CAPT + \$21.00
MANITOWOC	PVT + \$4.00	LT. + \$31.00	CAPT + \$40.00
	<u>AVE. + \$27.00</u>	<u>AVE. + \$60.00</u>	<u>AVE. + \$74.00</u>

SOURCE OF STATISTICS: ANNUAL SURVEY OF PROFESSIONAL FIREFIGHTERS OF WISCONSIN - 1974

Union Exhibit
 1974 MONTHLY AVERAGE WAGE SPREAD OF PVTS., COMPARED TO DRIVERS, LIEUTENANTS AND CAPTAINS
 IN THE FOND DU LAC FIRE DEPT. AS OPPOSED TO THE FOX VALLEY FIRE DEPTS.

		MONTHLY WAGE SPREADS	
APPLETON			
PVT	914.00		
DRIVER	948.00	or \$34.00 more than a Pvt	
LT	998.00	or \$84.00 more than a Pvt	
CAPT	1051.00	or \$137.00 more than a Pvt	
GREEN BAY			
PVT	892.00		
DRIVER	927.00	or \$35.00 more than a Pvt	
LT	983.00	or \$91.00 more than a Pvt	
CAPT	1039.00	or \$147.00 more than a Pvt	
SHEBOYGAN			
PVT	883.00		
DRIVER	883.00	same as a Pvt	
LT	992.00	or \$109.00 more than a Pvt	
CAPT	1079.00	or \$196.00 more than a Pvt	
OSHKOSH			
PVT	866.00		
DRIVER	884.00	or \$18.00 more than a Pvt	
LT	945.00	or \$79.00 more than a Pvt	
CAPT	974.00	or \$128.00 more than a Pvt	
MANITOWOC			
PVT	860.00		
DRIVER	880.00	or \$20.00 more than a Pvt	
LT	943.00	or \$83.00 more than a Pvt	
CAPT	994.00	or \$134.00 more than a Pvt	
FOND DU LAC			
PVT	856.00		
DRIVER	869.00	or \$13.00 more than a Pvt	
LT	912.00	or \$56.00 more than a Pvt	
CAPT	953.00	or \$97.00 more than a Pvt	

AVERAGE MONTHLY SPREAD BETWEEN PVTS AND DRIVERS IN FOX VALLEY	\$21.40
AVERAGE MONTHLY SPREAD BETWEEN PVTS AND DRIVERS IN FOND DU LAC	<u>\$13.00</u>
	- 8.40 DIFFERENCI
AVERAGE MONTHLY SPREAD BETWEEN PVTS AND LIEUTENANTS IN FOX VALLEY	\$89.00
AVERAGE MONTHLY SPREAD BETWEEN PVTS AND LIEUTENANTS IN FOND DU LAC	<u>\$56.00</u>
	-33.00 DIFFERENC
AVERAGE MONTHLY SPREAD BETWEEN PVTS AND CAPTAINS IN FOX VALLEY	\$148.00
AVERAGE MONTHLY SPREAD BETWEEN PVTS AND CAPTAINS IN FOND DU LAC	<u>\$ 97.00</u>
	- 51.00 DIFFEREN

SOURCE: ANNUAL SURVEY OF PROFESSIONAL FIREFIGHTERS OF WISCONSIN - 1974

The Union added the following notes:

"For sake of comparison all production workers hours were based on 40 hours when in fact the actual range was from a low of 39.3 hours to a high of 42.3 hours....."

"Fond du Lac production workers actually averaged 40.4 hours of work and \$218.87 in weekly pay for the month of Dec.1974. Source: Wis. Labor Force -- Dec. 1974."

The Union also submitted a letter from Kenneth D. Siemers, Research Analyst in the Work Force Data & Research Section of the Wisconsin Department of Industry, Labor and Human Relations of January 17, 1975, to Mr. Charles Buss, Union official. This letter contained a table which was a summary of estimates of 1974 earnings and hours for production workers in manufacturing, the estimates being made for the month of December:

City	Average Weekly Earnings	Average Weekly Hours	Hourly Earnings
Fond du Lac	\$202.94	40.4	\$5.02
Appleton - Oshkosh Met. Area	193.78	42.4	4.59
Brown County	200.46	42.3	4.74
Manitowoc	171.62	41.0	4.19
Sheboygan	180.80	40.2	4.50

The Union also introduced the following table:

HOURLY WAGE INCREASES FOR PRODUCTION WORKERS IN FOX VALLEY FROM
DECEMBER 1973 - DECEMBER 1974

City	Dec 1973	Dec 1974	% Increase
Sheboygan	4.40	4.74	7.72
Appleton	4.41	4.85	9.97
Green Bay	4.48	4.99	11.38
Oshkosh	4.41	4.85	9.97
Manitowoc	4.05	4.38	8.14
Fond du Lac	4.79	5.42	13.15

To this table the Union appended a note:

"By using the above Fond du Lac Production workers figures the Monthly wage increase from Dec. 1973 to Dec. 1974 amounted to \$109.00 in Dec. 1974 plus fringe benefits. It should also be noted that this \$109.00 figure applies to 7,800 production workers."

The source of this information was from Wisconsin Labor Force, Vol. 14, No. 12, January 15, 1975.

The Union also introduced evidence to show that in one production plant the average straight time hourly rate was \$6.49 and the average earned rate including overtime and shift premium was \$6.94 without including fringe benefits.

The Union in Exhibit 1, pages 20 and 21 introduced information on the average hourly base pay rate of the Fox Valley building and construction trades which was said to be \$7.52 per hour or \$300.80 per hour week as of August 1, 1974. One class of pump operators received \$8.22 base pay and \$1.15 in fringes. Pump operators with pumps over 3" earned 7.78 per hour plus \$1.15 in fringes, and pump operators with pumps 3" and under earned 7.67 per hour plus \$1.15 in fringes.

5. Consumer Price Index. The Union submitted a report from the U. S. Department of Labor, Bureau of Labor Statistics, that the price of consumer items increased on the average for the year in U.S. cities an amount equal to 12.2%. It submitted a news story to this effect, the story being printed on January 1, 1975.

Real Spendable Earnings. In Exhibit 1, page 24, the Union submitted a chart on "Real Spendable Earnings of Fond du Lac Firefighters 1967 - 1975 (Proposed)."

The Union argues that while the numerical base pay has risen, the real spendable earnings have dropped and under the City proposal they will drop still lower, while under the Union proposal, they will drop less, to about \$3 per month drop in purchasing power. The table was as follows:

Year	Firefighters Monthly Base Pay	Adjustment for Consumers' Price Index, 1967 - 100
1967	\$525	\$525
1968	585	561
1969	648	590
1970	668	574
1971	698	575
1972	753	600
1973	806	605
1974	856	579
1975	947 (City)	572 (City)
	956 (F.D.)	576 (F.D.)

To this table the Union added a note:

"Real Spendable Earnings - or purchasing power, represents the buying power of the spendable earnings of a worker earning the average pay and with applicable deductions, after allowance for price changes from the 1967 base period, that is, adjustment by the Consumer Price Index. Source: U.S. Dept. of Labor -Bureau of Labor Statistics."

The Union holds that under a report of the Joint Economic Committee of the Congress, of February 10, 1975, the average family in the pay range of the Fond du Lac Firefighters had to get a 14.6% increase to stay even with the inflation in 1974. A family with an increase of \$12,636 in 1973 had to get an increase of \$1,840 in 1974 to maintain the same earning power.

The Union argues that if the City states that the Firefighters over the past seven years has kept pace with the cost of living, the fact is that most other Americans have not only kept pace with the cost of living increase, but have shared in the annual growth rate of 3% until the last few months. In real spendable earnings, the members should have earned wages 21% higher than in 1967, and instead they were only earning 10.2% more than in 1967, thus sharing in only 50% of the growth of the national economy.

6. Overall Compensation and Fringes. The Union calls attention to an earlier exhibit in which it compared fringes and benefits. It notes that it is difficult to list all the benefits, but feels its exhibit is valid. It discounts the experience of Manitowoc in which city the compensation is lower. The Union claims that in Manitowoc employees have two extremely valuable benefits not available to employees in other cities. These are a shorter work week of 52 hours and pay for unused sick leave each year after the maximum amount is reached.

7. Changes in the Situation Pending the Award. The Union notes that under the guideline in the statutes about changes while the decision is pending, the arbitrator should consider the economic data of 1974 as more important than any trend in 1975. It states that one case was decided on this principle, and it states that the parties will have ample time to consider what changes occurred in 1975 when 1976 comes.

The Union further argues that any additional increases it may get will be worth less than if the money have been granted at the beginning of the year. Changes must be of a major import to use a guideline related to changes while a matter is pending.

8. Other factors. The Union notes that with respect to other factors, there are two to be considered. One is parity, and the other is the difference in treatment afforded Firefighters as compared to Police with respect to educational credits. The Union notes that it covered both of these items in its exhibits.

9. Conclusion of the Union. The Union believes that on the basis of the record and the testimony during the hearing, the Union has the more reasonable position. It notes that the cost difference is virtually nil during 1975, but the Union's proposal would eliminate some of the basic discrepancies in pay scale within the department, and as compared to the Police in Fond du Lac, and as compared to pay in other cities and in Fond du Lac.

POSITION OF THE CITY. The arbitrator will endeavor to group the City's various positions under the statutory guidelines as he has grouped the Union's positions.

1. The lawful authority of the Employer. The City did not comment directly on the subject of the lawful authority of the Employer as it may be involved in the instant matter.

2. The stipulations of the parties. The City emphatically denies the contention of the Union that at some time in the past the City agreed to establish parity between the Union and the Police with no more than \$20 per month difference in monthly wages. Assuming arguendo that such an agreement had been entered into, the City then contends that the Firefighters would effectively lose control of their own bargaining. This would be so because if the Police elected not to negotiate about some fringe benefits, then the Firefighters would also have to decline negotiating or destroy parity.

Further the City asks if the assumption is made that an agreement was made, was this agreement made on the basis of a dollar difference or a percentage difference with respect to the existing rates at that time.

Because so many questions are left unanswered, the arbitrator can not impose on the parties such a far-reaching concept of parity.

3. The interests and welfare of the public and the financial ability of the City to meet the costs. The City notes that the Wisconsin Department of Industry, Labor and Human Relations states that unemployment in Fond du Lac County during January, 1975, was a "whopping" 8.3%.

Also on the subject of the ability of the City to pay, the City holds that its final offer is the more reasonable one. It bases this contention on two factors: percentage increases and dollar amounts. The City states that the percentage increase offered by the City places the City fourth highest among ten communities which it surveyed, and is only 0.2% from being the second highest in percentage increase. If the Union offer is accept, the City, which is offering a 10.9% increase would have to pay a 11.52% annualized increase, which would make this compensation the second highest of the cities surveyed. The City holds that there is no justification for it to be placed in this position.

With respect to the dollar amount of the City's offer, the City notes that it is in fifth place among cities surveyed, but this is only \$2.04 below the settlement of the City of Janesville which settled for the second largest dollar packets. If the City settled on the Union's term, it would be settling for the second largest package among ten cities.

The City warns against the amended offer of the Union in that it proposes a raise in mid season, and it calls this kind of a proposal "gimmickry." It notes that while the proposal would reflect an average monthly increase annually to \$5.41, it does not reflect that this new salary structure will then be in effect, starting at a new higher rate.

The City holds that this type of a proposal is simply designed to encourage the arbitrator to grant more than the City offered without evidence to warrant such an increase.

4. Comparisons of wages, hours and conditions in public employment in comparable communities and in private employment. The City offered City Exhibit 1 which was a tabulation of 1975 contract settlements for ten cities showing maximum monthly wages at various years of service for Firefighters. In this tabulation Fond du Lac was seventh after 2 years of service and fifth from the top at pay scale maximum.

City Exhibit 2 was the same type of tabulation for Lieutenant. In this case, Fond du Lac was 8th after 2 years and sixth from the top after the maximum was reached.

City Exhibit 3 is a similar tabulation for the rank of Captain. In this case, Fond du Lac was lowest after 2 years of service and seventh at the maximum.

City Exhibit 4 was a chart showing percentage increase of 1975 settlements, computed on an average base salary. The base was determined by applying dollar cost to weighed average salaries of Captain, lieutenant and Firefighter in each city. The chart summarized is as follows:

<u>City</u>	<u>Percentage</u>
Racine	12.5
Manitowoc	11.1
Oshkosh	11.0
Fond du Lac	10.9
Janesville	10.1
Neenah	9.7
Eau Claire	9.7
Menasha	9.2
Appleton	9.2
Kenosha	7.9

City Exhibit V was a chart on the dollar cost of 1975 settlements per man per month of the same cities. Summarized this chart is as follows:

<u>City</u>	<u>Dollars per Month</u>
Racine	120.91
Janesville	100.80
Manitowoc	100.00
Oshkosh	99.00
Fond du Lac	98.76
Neenah	90.00
Appleton	88.50
Eau Claire	86.40
Menasha	79.47
Kenosha	75.09

City Exhibit 7 is a tabulation of salaries of selected positions in the Fond du Lac City government and the percent of increase in 1974 and 1975. The City notes that positions in the Fire Department received the highest percentage increases.

Exhibit 1, 2, 3 and 7 now follow.

Comparison of Firefighters with employees in the private sector. The City takes a basic position that in the case of Firefighters, the Firefighters have no counterpart in the private sector, and therefore the Union exhibits about what other kinds of workers are getting simply are not relevant. All construction workers except laborers require an apprenticeship up to four years whereas a Firefighter gets maximum pay in his class of employment after eighteen months. Construction rates of pay also reflect the seasonal nature of the work.

The City holds that what must also be considered is that the two largest employers in the area are on incentive systems, whereas Firefighters are not in a production type of work but are in a standby type of work. The City further notes that there are numerous types of employment in the City of Fond du Lac on which the Union did not provide information.

As to the exhibits offered by the Union on the spread between classifications in the Fire Departments, and as to the implication that an increases in rates for the higher classifications may be warranted by the small spread, the City points out that the history of bargaining has been such that the City offered the Union a certain package and gave the Union the option of where to distribute that money within the package. The City contends that it should not be penalized because the Union decided to spend the money in one classification as opposed to another.

1975 CONTRACT SETTLEMENTS
Maximum Monthly Wages At Years Of Service

FIREFIGHTER

<u>City</u>	<u>2 yrs.</u>	<u>6 yrs.</u>	<u>11 yrs.</u>	<u>16 yrs.</u>	<u>Maximum</u>
Janesville	1,096.33	1,096.33	1,096.33	1,096.33	1,096.33
Racine	1,031.32	1,051.94	1,067.41	1,082.88	1,082.88
Appleton	997.13	1,007.13	1,013.80	1,013.80	1,013.80
Kenosha	988.00	993.00	998.00	1,003.00	1,013.00
Fond du Lac*	933.79	958.79	983.79	1,003.79	1,003.79
Neenah	970.00	976.00	982.00	990.00	995.00
Eau Claire	917.31	917.31	944.82	972.34	972.34
Oshkosh	941.00	947.00	953.00	961.00	969.00
Menasha	905.00	905.00	910.00	915.00	925.00
Manitowoc	886.00	886.00	896.00	916.00	916.00

*Proposed for 1975

1973 - 1975 SALARY COMPARISON OF SELECTED POSITIONS

	<u>1973</u> <u>Salary</u>	<u>1974</u> <u>Salary</u>	<u>% Increase</u> <u>1974</u>	<u>1975</u> <u>Salary</u>	<u>% Increase</u> <u>1975</u>
City Manager	21,300	22,685	6.5	23,755	4.5
Director of Public Works	19,721	21,003	6.5	22,073	5.0
Director of Comm. Devel.	19,080	20,320	6.5	20,320	0
Director of Administration	16,324	17,385	6.5	18,455	6.1
Police Chief	16,552	17,628	6.5	18,698	6.0
Fire Chief	16,552	17,628	6.5	18,698	6.0
Water Utility Supt.	14,607	15,556	6.5	16,626	6.8
Supt. of Const. & Maint.	14,538	15,483	6.5	16,553	6.9
Assistant Fire Chief	13,579	14,462	6.5	15,532	7.3
Police Captain	13,515	14,462	7.0	15,532	7.3
Deputy Health Officer	13,579	14,462	6.5	15,532	7.3
Fire Captain	10,839	11,439	5.5	12,639*	10.4
Fire Lieutenant	10,347	10,947	5.7	12,099*	10.5
Fire Fighter	9,669	10,269	6.2	11,361*	10.6
Police Patrolman	10,039	10,651	6.0	11,551	8.4
Laborer I	7,779	8,299	6.6	9,048	9.0
Equipment Operator I	8,548	9,068	6.0	9,900	9.1
Sewage Plant Operator	8,923	9,443	5.8	10,296	9.0
Waste Collector	7,949	8,453	6.3	9,222	9.0
Park Caretaker II	8,278	8,798	6.2	9,588	8.9
Utility Clerk II	6,671	7,174	7.5	7,827	9.1
Engineering Aide II	8,515	9,018	5.9	9,839	9.1
Mechanic	8,944	9,464	5.8	10,316	9.0

*Comp. Ech. III
(CITY)*

1975 CONTRACT SETTLEMENTS
Maximum Monthly Wages At Years of Service

<u>City</u>	<u>CAPTAIN</u>				
	<u>2 yrs.</u>	<u>6 yrs.</u>	<u>11 yrs.</u>	<u>16 yrs.</u>	<u>Maximum</u>
Janesville	1,284.83	1,284.83	1,284.83	1,284.83	1,284.83
Racine	1,211.55	1,235.78	1,235.78	1,253.95	1,272.12
Appleton	1,146.39	1,156.39	1,163.06	1,163.06	1,163.06
<u>Eau Claire</u>	1,089.13	1,089.13	1,121.80	1,154.47	1,154.47
Kenosha	1,123.00	1,128.00	1,133.00	1,138.00	1,148.00
Menasha	1,097.00	1,097.00	1,107.00	1,112.00	1,117.00
Fond du Lac*	1,040.30	1,065.30	1,090.30	1,115.30	1,115.30
Neenah	1,090.00	1,096.00	1,102.00	1,110.00	1,115.00
Manitowoc	1,069.00	1,069.00	1,079.00	1,099.00	1,099.00
Oshkosh	1,049.00	1,055.00	1,061.00	1,069.00	1,077.00

*Proposed

1975 CONTRACT SETTLEMENTS
Maximum Monthly Wages At Years Of Service

LIEUTENANT

<u>City</u>	<u>2 yrs.</u>	<u>6 yrs.</u>	<u>11 yrs.</u>	<u>16 yrs.</u>	<u>Maximum</u>
Janesville	1,230.66	1,230.66	1,230.66	1,230.66	1,230.66
Racine	1,147.01	1,169.95	1,187.15	1,204.36	1,204.36
Appleton	1,087.82	1,097.82	1,104.49	1,104.49	1,104.49
Kenosha	1,063.00	1,068.00	1,073.00	1,078.00	1,088.00
Neenah	1,050.00	1,056.00	1,062.00	1,070.00	1,075.00
Fond du Lac*	995.30	1,020.30	1,045.30	1,070.30	1,070.30
Manitowoc	1,018.50	1,018.50	1,028.50	1,048.00	1,048.00
Oshkosh	1,020.00	1,026.00	1,032.00	1,040.00	1,048.00
Eau Claire	986.71	986.71	1,016.31	1,045.91	1,045.91
Menasha	995.00	995.00	1,000.00	1,005.00	1,010.00

*Proposed

With respect to another factor of comparability within the City itself, the City notes that it has already reached agreements with the American Federation of State, County, and Municipal Employees and the Professional Policemen's Association. None of the settlements exceeded the City's offer to the Firefighters. The City does not contend that the Union is bound by other settlements, but the City itself holds the position that the earlier settlements have established a pattern which should be preserved since compelling reasons to alter the pattern are not present. To grant the Union's request now would be rewarding the Union for waiting till other settlements were reached and then giving the Union opportunity to build on the other settlements. The City enjoins the arbitrator not to encourage such an approach by the Union.

Parity with Police. This matter has been covered earlier.

5. Consumer Prices. The City made no statements on this subject, supported by exhibit.

6. Overall Compensation. The City notes that with respect to overall compensation as mentioned in Chapter 111.77 (6) (f) of the Wisconsin Statutes, an arbitrator is specifically directed to consider "the continuity and stability of employment." The City says that the arbitrator should give appropriate consideration considering the current economic conditions. No Firefighter has been laid off due to lack of work or lack of funds since the Union has been representing the Firefighters or indeed at any time. The unemployment rate of 8.3% has been noted earlier.

6. Change of Circumstances While Arbitration is Pending. On the matter of a change in circumstances while the arbitration is pending and on other factors, the City did not make major comments except as noted here under other titles.

DISCUSSION. The arbitrator will endeavor to follow the subject divisions presented earlier, without repeating the arguments on them.

1. On the lawful authority of the employer. The arbitrator sees no bar to the City either paying a higher rate or not paying it.

2. On stipulations. The arbitrator does not find that the agreement of 1969 between the City and the Union fixed a pattern of equal annual differences or disparity between the ranks of the Firefighters and the ranks of the Police, after the 1969 agreement. The most that was said was that a pattern of some disparity was accepted.

3. The interests and welfare of the public and financial ability of the unit of government. The arbitrator believes that the City can meet the costs of the wage proposal of the Firefighters. The arbitrator notes that the Union shaved down the wage increase to about one half the annual cost in the first year. The City states that this is gimmickry to encourage the arbitrator to be more favorable to the proposal without the Union showing what the real future burden for the City will be. The arbitrator accepts this statement of the City as a valid criticism and recognizes that the full effect of the new rates will be the point from which future bargaining starts. However, the City can pay for the proposed increase.

A factor supporting the City's position is obtained from a Union exhibit, Exhibit 1, page 25, which is a news story. This story shows that the equalized valuation of Fond du Lac is 16th among 20 Wisconsin cities of comparable size and that the equalized tax rate is 15th. The story, however, quotes the City Manager to the effect that the tax rate is the lowest in the Fox River Valley. Again, it should be noted from this exhibit, page 26, that the City expenditures, net levy and tax rate are up.

Concerning the general interests of the City, since Fond du Lac is an industrial city, an adequately paid organization of Firefighters would seem to be in the public interest to protect the income assets of the city.

4. Comparisons. The arbitrator holds that the comparisons with private employees' wages, especially in construction and production, are not fully applicable here. While there would be some competition to obtain the services of persons employed as Firefighters to some other kind of work, yet the pay of Firefighters and stability of employment are such that other types of employment would not likely hurt the City's ability to recruit and retain personnel in the Fire Department.

However, comparisons with public employees in the city service and within comparable communities can validly be made. Historically, as far as compensation has been concerned, the pay of Firefighters has been compared with the pay of Policemen, and the ranges of compensation have until recent times been equalized in many places. The rationale for this equalization or parity has been based not so much on hours or techniques of the work, but on the concept of community security and on hazard in employment.

Comparisons Between Cities. Looking at the comparisons made with respect to wages of similar personnel in other cities, the City and the Union use different groupings of cities for comparison. The City has grouped comparable cities in the state, whereas the Union has used a grouping which is a Fox River Valley grouping, plus Sheboygan and Manitowoc - essentially and East Central Wisconsin grouping.

Examining these groupings as offered by the City, one ascertains that with respect to the dollar amount offered by the City for the respective ranks of Firefighter, Lieutenant, and Captain at the end of 2 years, the City of Fond du Lac offers average or below average compensation.

Examining the grouping as offered by the Union, the same deduction can be made: Fond du Lac compensation for position of Firefighter is below the group average.

Such a status can be justified in part by the report that the total assessed valuation of the City of Fond du Lac has been declining with respect to cities similar in size as reported in Union Exhibit 1, page 25.

A similar lower status in comparisons for positions above the rank of Firefighter also obtains.

The City also argues in addition that if the dollar cost of the increase as proposed by the City is compared to the settlements offered by other cities in the grouping, Fond du Lac is fifth in the list, but would be second if the Union offer is decided upon.

Similarly the City states that if the percentage increase being offered is considered, Fond du Lac is fourth in the list of ten cities and would be second, if the Union offer is accepted. The City holds that such conditions should not be imposed on the City.

On the basis of these latter two comparisons, the City's offer is the more reasonable.

Comparisons Within the City Service. The one comparison which can be made reasonably is the comparison between Policemen and Firefighters. In Fond du Lac it appears that the pay of some classifications have been compared: Firefighter Private and Policeman, Firefighter Lieutenant and Police Sergeant, and Firefighter Captain and Police Lieutenant.

Union Exhibit 1, pages 2 to 7 inclusive, have shown that a disparity of wages and fringes was agreed to in 1969, and that the disparity has substantially widened since 1969. From 1969 to 1975 the disparity widened from \$24.02 to \$80.70 for a Firefighter Private, from \$24.66 to \$77.21 for a Lieutenant, and from \$33.86 to \$102.94 for a Captain.

As he has stated, the arbitrator believes that no agreement was made between the City and the Union to maintain the precise monetary difference or percentage difference; yet the arbitrator believes that this dollar difference, when translated into annual differences is too great between the services when the respective hazards of work are considered. The arbitrator believes that the disparity should be lessened though he does not hold that absolute parity must or should exist between the services.

The City argues that the wage differences are not that great, being an annual difference between \$11,361 for a Firefighter Private and \$11,551 for a Police Patrolman. This would amount to a difference of \$15.83 a month. The Union proposes to narrow this difference in wages to \$6.83 a month.

The difference in wages alone is not that significant, but from the Union Exhibits it would appear that the major differences occur in the fringes: shift premiums, clothing allowance, holiday pay and health insurance. The City did not contend that

these differences cited by the Union were incorrect. The arbitrator then concludes that in total compensation, wages and fringes, the large differences claimed by the Union do exist.

The City also shows that on the basis of a percentage increase, the total compensation offered the various classifications in the Fire Department exceed those of other groups of employees, whether laborers or mechanics or craftsmen, or administration. This position of the City is valid and is an argument similar to the City's argument on the percentage of the increase of its offer over base wages. Thus the issue comes to whether the size of the increases when considered as percentages should prevail on the City's side, or whether the dollar offer which shows the City to be relatively low in the various groupings offered should prevail on the Union's side.

After reflection the arbitrator believes that the dollar amounts deserve more weighty consideration because of what he believes is too much disparity between the protective services of the City. Thus the arbitrator believes that the Union's proposal for a \$9 a month increase more nearly fits the criteria of guidelines offered by the statutes.

5. Consumer Price Index, Overall Compensation, and Pendency of Arbitration. Note must be taken of the Consumer Price Index which showed a 12.2% increase from 1974 to 1975. This figure exceeds the increased cost to the City if the Union offer is accepted, which would amount to a 11.52% increase according to the City's brief.

Current reports indicate that the Index is still rising, but more slowly and with a drop in food costs. Not enough of a significant change has occurred in the Index to influence any conclusion reached here.

6. Other Factors. The arbitrator is compelled to note that the Union has amended its proposal to have its raises commence in mid-year. The City has warned the arbitrator that this is a device to conceal the true cost of the proposal, and the arbitrator has stated earlier that he recognizes this situation, and affirms that his conclusions are not the result of uncritical acceptance of the offer to commence a raise at mid-year.

Impact of Union's Request. One of the other factors to be considered is the impact of the Union's request. A granting of the Union's request for pay increases for the various classifications of Firefighters does not substantially alter the position of the City of Fond du Lac with respect to wage settlements of other comparable cities, either at the highest or lowest levels. In the class of Firefighter Private, the City will be fourth lowest after 2 years and 4th highest at maximum. In the class of Lieutenant, the City will be fourth lowest at 2 years and 5th highest at maximum. In the class of Captain, the City will be second lowest at 2 years and 6th highest at maximum.

CONCLUSION. On the basis of an excessive disparity in over-all compensation between employees in the two protective services of the City of Fond du Lac, employees which are at comparable levels of authority, the arbitrator believes that the offer of the Union is more nearly in the interests of the public, which interests require adequate compensation for Firefighters. This consideration is more weighty than the otherwise important argument of the City that the City's offer reflects a high percentage increase in Firefighters compensation as compared to other increases granted internally in Fond du Lac and as compared to increases in other cities.

AWARD. In the matter of Local No. 400, Fond du Lac Firefighters, IAFF, and the City of Fond du Lac, WERC Case XXVI, No. 18532, MIA-128, it is the conclusion of the arbitrator that the final amended offer of the Union is the more reasonable, considering the statutory guidelines prescribed for consideration, and this offer should be incorporated in the 1975 agreement.

Frank P. Zeidler /s/
Frank P. Zeidler
Arbitrator

April 25, 1975

