

On April 25, 1975, the Union submitted an amended final offer. On May 5, 1975, the City submitted an amended final offer. There was an exchange of letters subsequently clarifying the understanding as to the issues between the parties.

The hearing was held as noted above on May 15, 1975.

Subsequent to the hearing, the Union representative, Mr. Klopp, experienced a severe illness and the parties agreed to allow the exchange of briefs to be delayed. Briefs were exchanged through the arbitrator on July 2, 1975.

THE OFFERS AND ISSUES.

The Union's Offer. The amended Union offer which was made on April 25, 1975, is as follows and is taken from the Union communication:

"1. Vacations: Currently the maximum is three weeks after ten years. The Union wants a fourth week of vacation after fifteen years. The Employer proposes no change.

"2. Hospital and Surgical Care Insurance: Blue Cross-Blue Shield Plan is agreed upon by the parties. Remaining issue is Salary Continuation Insurance. The Union proposes that the City continue payment for this insurance (\$4.23 per month for Police Department.) The Employer proposes that the employee pay the premium.

"3. Compensation

A. The Union proposes the following classification and pay schedule:

<u>Classification</u>	<u>Start</u>	<u>6 months</u>	<u>18 months</u>	<u>30 months</u>
Patrolman	\$680	\$705	\$730	\$755
Sergeant	780			
Lieutenant	805			
Asst. Chief	830			
Secretary	490	510	530	550
Meter Maid	470	490	510	530

"The above constitutes a \$65 per month increase for Patrolmen (9.4%), Sergeant (9.1%), Lieutenant (8.8%) and Asst. Chief (8.5%). The increase for the Secretary amounts to \$60 per month (12.2%), being placed at the maximum of the range. The increase for Meter Maid in 1976 would be \$20, effective April 1, 1975; however, she will be able to progress in time to the maximum of the range.

"The Employer, as we understand it, proposes the following:

<u>Classification</u>	<u>Start</u>	<u>6 months</u>	<u>18 months</u>	<u>30 months</u>
Patrolman	\$655	\$680	\$705	\$745
Sergeant	755			
Lieutenant	780			
Asst. Chief	805			
Secretary	500		520	
Meter Maid	490		510	

"B. Longevity: The proposed plan of longevity pay to be added to employees' base pay upon date of eligibility, according to the schedule is as follows:

- After four (4) years of employment - 2%
- After six (6) years of employment - 3%
- After ten (10) years of employment - 5%
- After fifteen (15) years of employment - 6%

"C. Shift Premium: 10¢ per hour for second and third shift. Presently it is 5¢ per hour. The Employer proposes no change.

"The Union assumes that the contract changes agreed upon prior to the petition for arbitration will remain as agreed upon revisions to the 1975 Agreement.

"Local 2085-A, in submitting this proposal retains its rights as provided for in Wisconsin Statute 111.70."

The City's Offer.

FINAL AMENDED PROPOSAL OF RICHLAND CENTER
DATED MAY 5, 1975

"1. Article VI, Vacations, increase the current vacation schedule to provide for four (4) weeks vacation after fifteen (15) years of service.

"2. Article XIII, Hospital and Surgical Care Insurance, section 13.01, modify to purchase Blue Cross-Blue Shield medical program, City to pay full premium. If a salary continuation program is to be provided, the City proposes the employee pay the full premium (\$4.23 per month per employee).

"3. Appendix A. Classification and Compensation Schedule

A. The City proposes the following Classification and Pay Schedule.

<u>Classification</u>	<u>Start</u>	<u>6 Months</u>	<u>18 Months</u>	<u>36 Months</u>
Patrolman	\$670	\$695	\$720	\$745
Sergeant	770			
Lieutenant	795			
Asst. Chief	820			
Secretary	500		520	
Metermaid	490		510	

This classification schedule constitutes a \$55 per month increase for law enforcement personnel; \$30 per month for secretary; \$20 per month for metermaid. Patrolman (8.0%); Sergeant (7.7%); Lieutenant (7.4%); Assistant Chief (7.2%); Secretary (6.1%); Metermaid (4.38%).

B. The City does not propose to commence a longevity program.

C. Shift Premium - 10 cents per hour for second and third shift.

"4. Those proposals previously agreed to will be incorporated in the 1975 agreement."

In a letter of May 5, 1975, Counsel for the City stated that the Union's understanding of the top offer of the City for patrolman was incorrect. The City's offer was a top of \$730 at 36 months in its proposal of January 31, 1975, and the letter noted that the City had improved its offer.

ISSUES DROPPED AT HEARING. At the hearing it was ascertained that the positions of the parties on the issues of vacations and shift premium were indetical and the parties had agreed to the provisions so that these issues then dropped out. The remaining issues were Insurance, Wages, and Longevity.

CRITERIA FOR THE ARBITRATOR. Section 111.77 (6) of the Wisconsin statutes lays down certain criteria for arbitrators to follow in final and binding arbitration. It is useful to recite them here:

"In reaching a decision the arbitrator shall give weight to the following factors:

"(a) The lawful authority of the employer.

"(b) Stipulations 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 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 employes, 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 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."

With the foregoing in mind the issues will be considered first individually and then as a group, and the positions of the parties will be stated and discussed.

I. WAGES

The most significant of the issues in terms of cost is the matter of wages. The following chart is useful for comparison.

COMPARISON OF SALARY REQUEST AND OFFER IN DOLLARS AND PERCENT

Title	1974		Union, 1975				City, 1975			
	St.	Top	St.	Top	Inc.	%	St.	Top	Inc.	%
Patr.	615	690	680	755	65	9.4	670	745	55	8.0
Serg.	715		780		65	9.1	770		55	7.7
Lt.	740		805		65	8.8	795		55	7.4
Asst.										
Chief	765		830		65	8.5	820		55	7.2
Secy.	470	490	490	550	60	12.2	500	520	30	6.1
Mtmd.	470	490	470	530	40	8.1	490	510	20	4.1

Note: Union's proposed maximums for Patrolman, Secretary and Metermaid are reached after 30 months. City's proposed top for Patrolman is reached after 36 months, and for Secretary and Metermaid after 18 months.

THE UNION'S POSITION. The Union introduced two exhibits, Union Exhibit 2 and Union Exhibit 9, which have pertinence here and are included next following. Union Exhibit 2 is a comparison of pay, length of time to reach the maximum of the rate range, and the 1975 increase in law enforcement departments in surrounding areas.

In this exhibit the Union has used as examples of employers the governmental units of Richland County, Viroqua, Reedsburg, Baraboo, Sparta, La Crosse, Tomah, Crawford County, Mayville, Horicon and Waupun. Of the cities selected all except La Crosse are cities of the 4th class and the 4th class cities range from a top population of 7,946 for Waupun in 1970 to 3,356 for Horicon. La Crosse had a population of 51,153 in 1970.

Using comparisons of Patrolman, Sergeant, Deputies, and in one instance Lieutenant, the exhibit shows that the maximum for Patrolman or Deputy in every instance exceeds the Union request with the lowest rates being \$770 per month at Sparta and \$773 at Tomah.

The Union points to the Crawford County Deputy rate which is \$77.33 after 30 months and the Richland County Deputy rate which is \$792.50 after 30 months. The Union notes that the 1975 increases for a month have all been above \$72.50, or 10% or above 50 cents per hour. The Union notes that it is asking for a 30 cents per hour average increase and an additional 10 cents on longevity.

Union Exhibit No. 2

Comparison of rates of pay, length of time to reach maximum of rate range, and 1975 increase in law enforcement departments in surrounding area.

<u>Employer</u>	<u>Classification</u>	<u>Time for Min. to Max.</u>	<u>Max. Rate</u>	<u>1975 Increase</u>
Richland Co.	Deputy	30 months	\$792.50	\$72.50
	Sergeant	30 months	837.50	72.50
Viroqua	Patrolman	24 months	775.00	75.00
	Sergeant	24 months	825.00	75.00
Reedsburg	Patrolman	18 months	* 825.00	75.00
	Lieutenant	18 months	* 890.00	75.00
Baraboo	Patrolman	36 months	* 875.00	75.00
	Sergeant	36 months	* 915.00	75.00
Sparta ***	Patrolman	12 months	* 770.00	10%
	Sergeant	---	* 786.50	10%
LaCrosse	Patrolman	36 months	* 903.73	78.73
	Sergeant	36 months	* 992.73	78.73
Tomah **	Patrolman	6 months	* 773.77	73.00
	Sergeant	6 months	* 810.80	81.00
Crawford Co.	Deputy	30 months	* 777.33	**** 53.00
	Sergeant	30 months	* 794.83	53.00
Mayville	Patrolman	36 months	* 920.00	90.00
Horicon	Patrolman	36 months	* 926.00	10%
Waupun	Patrolman	36 months	* 934.20	50¢ per ho
	Sergeant	36 months	*1001.67	60¢ per ho

* Does not include longevity pay.

** Longevity pay plan expanded from maximum of \$50 per month to \$75 per month in 1975.

*** 1975 tentative Agreement also calls for 10¢ per hour for 2nd shift and 15¢ per hour for 3rd shift (new).

**** Initial Agreement - hours reduced, premium pay for overtime, improved vacation, holiday and other new benefits.

The Union objects to the amount being offered the Secretary which is only \$30 a month, this being only a 6% increase, which is half of the cost of living increase and which amounts to a loss in real earning. The Union feels that the City has not recognized that the Secretary provides not only secretarial services but is also a dispatcher, searches suspects, participates in and records interrogations and does custodial work. A progressive step rate for the Secretary will overcome past inequities.

The Union states that under the Union proposal the Metermaid would receive \$20 a month increase effective April 1, 1975, which is three months later than what the City offers. The Union believes that its proposal is equitable based on responsibility and duties, especially since she is new, but she will be on a step plan with increases in the future.

THE CITY'S POSITION. The City in its presentation does not single out wages for a separate and diverse treatment, but makes the main point that the total offer of the city on all issues in dispute and on all other issues in which certain advances were made, such as in shift premium, is a fair and reasonable offer.

The arbitrator, without losing sight of the overall offer, nevertheless believes that some special analysis of the issue of wages as offered by the City is required. Hence this abstraction of the City's position on wages.

A summary of City Exhibits 1 and 2 on wages and certain fringe benefits in comparable cities is given here.

City	Population	Median Annual Income	Monthly Maximum Patrolman Salary
Boscobel	2649	7046	\$725
Darlington	2351	7734 (2)	737.50
Dodgeville	3259	9750	750
Fennimore	1861	8464 (2)	640
Lancaster	3756	9424	745
Mineral Point	2305	8547 (2)	749
Prairie du Chien	5540	7612	749.60
Reedsburg	4585	9354	825
Richland Center	5086	8750	
(1974)			(690)
City Proposal			745
Union Proposal			755
Viroqua	3739	7560	775

(2) County Median Annual Income

In City Exhibit 4, the City gave its working papers on the cost of the Union wage proposal. This cost came to \$6,420. In City Exhibit 6 the City presented its working papers used to estimate the cost of its proposal for wages. This cost was \$5,220.

The City notes that of the nine employees in the Police Department, seven are law enforcement officers, and two are the Secretary and the Metermaid. It states that the percent of the increases proposed are as follows:

City Proposal, % Increase, All Employees	9.69
City Proposal, % Increase, Officers	10.4
Union Proposal, % Increase, All Employess	14.9
Union Proposal, % Increase, Officers	15.6

The City notes certain roll-up costs and costs coming under the new agreement which must be considered. The roll-up costs will be discussed under the overall patterns which enter into consideration here. The City further notes that in addition to the increased salary cost, the shift premium agreed to will come to \$478.40 a year. If the longevity proposal is ordered, this will total \$1,973.60. A uniform allowance of \$50 per officer, agreed to, will come to \$450 per year.

The City also introduced an exhibit, City Exhibit 10, which can not easily be summarized, is important to the overall pattern, and which is therefore included at this point:

CITY EXHIBIT - 10

Analysis of salary increases as compared with percent increases in the Consumer Price Index.

<u>Rates in Effect</u>	¹ <u>Maximum Monthly Patrolman Salary</u>	<u>% Increase</u>	<u>1974 - 1975 Increase Average</u>	
1970	\$ 529.00		1975 City	
1971	571.32	8%	745 8%	(8.8%)
1972	605.60	6.1%	1975 Union	
			755 9.4%	(10.2%)
1973	655.00 (avg.641.55)	8.3% (5.9%)		
1974	690.00 (avg.685.00)	5.3% (6.8%)		
Total 27.7% (26.8% at average rate)				

December through December

<u>Percent change</u>	² <u>Consumer Price Index</u>	² <u>1975 First Quarter Seasonal adjusted CPI</u>
1970-1971	3.4% (yr. avg. 4.3%)	6.6%
1971-1972	3.4% (yr. avg. 3.3%)	
1972-1973	8.8% (yr. avg. 6.2%)	
1973-1974	12.2% (yr. avg.11.0%)	
Total 27.8% (24.8%)		

¹ Figures compiled from records of Richland Center City Clerk and labor agreement between parties. The average increase figures are due to two increases in 1973 and 1974.

² Bureau of Labor Statistics Consumer Price Index

The City holds that the Union is asking for an unreasonable increase in wages and other benefits so that the total package, of which wages are a major part, comes to a demand for a 19.2% increase.

The City holds that the Union Exhibit 2, which presents a list of counties and cities for wage comparison, is not valid and does not fulfill the requirements of Section 111.77 (6) (d) (1) of the statutes which requires a comparison of wages, hours, and conditions of employment of the employees involved in the arbitration proceedings with the same conditions affecting employees performing similar services in public employment in comparable communities.

The City objects to the inclusion of data on Richland and Crawford Counties, which the City says are by definition counties and not cities, and therefore, can not possibly be considered as comparable communities. The City holds that counties are much larger taxing authorities and have a greater population; and the Deputies perform much different duties than do the city Police. The City objects to the statement by the Union that greater violence usually occurs in cities and that this situation has no relevance in Southwestern Wisconsin.

The City strongly objects to the use of the cities of Baraboo, Sparta, La Crosse, Tomah, Mayville, Horicon, and Waupun for a comparison with the City of Richland Center. None of these communities are in Southwestern Wisconsin, many are communities larger than the City of Richland Center, and they are in situations that do not approximate at all the situation in the City of Richland Center.

The City states that the Union has "loaded the deck" by picking such communities, and even assuming that the data might have a proper comparison with conditions in Richland Center, yet the Union exhibit does not state the whole story. This is so because the Union compared only the maximum rate for Deputy and Sergeant and did not compare all wages, fringe benefits or working conditions.

The City objects also that the Union, in comparing wages with the wages of the Richland County Deputies, did not give any detailed testimony or documentation of the benefits received by the Deputies. The City states that the reason the Union did not give the arbitrator an exhibit of the agreement between Richland County and its Sheriff's Department is that in many ways the benefits between the two agencies are comparable; and further Richland Center provides some better benefits. Among those better benefits are insurance benefits fully paid by the City as compared to a 60% insurance benefit cost paid by the County.

On behalf of its own list of comparable communities, the City argues that this list is more accurate and reasonable, and more nearly complies with the statutory requirements. This is so because all of the communities are located in Southwestern Wisconsin. The City notes that in its list the City of Richland Center pays its police officers at a rate equal to or higher than any of the cities except Reedsburg and Viroqua. It notes also that none of the comparable communities offer a shift premium which will amount to a benefit of approximately \$70 per year per officer, and only two also offer a longevity program, which, however, is also limited. Some of the cities do not offer full city contribution to the employee pensions contribution or payment of full insurance which Richland Center does.

II. LONGEVITY PAY

THE UNION'S POSITION. The Union holds that its request for a longevity plan is modest and that it averages out as an increased cost of only 2.44% to the Employer. The Union states that it purposely requested a modest wage rate increase with the expectation that the longevity plan would meet with approval.

The Union says that a review of surveys published by the State Bureau of Personnel dramatically reveals that the number of law enforcement departments with longevity plans far exceed the number of other kinds of public agencies such as street workers, hospital workers and so on. The Union states that there is a logical reason for this and that is because law enforcement work requires career employees and a longevity program is an incentive toward such employment. Because of the constant changes in laws, crime detection, changing social conditions and advocacy activity of citizens, the officers with greater experience, training and constant updating in new methods become more efficient and more beneficial to the citizens.

Further, if a longer probationary period is required and a long length of time is required to receive the "going rate", then the value of the police officer becomes greater with the length of service and this should be recognized in his compensation. Experience should be encouraged and recognition given for faithful service in a logical way, namely a longevity plan.

The Union states that the following cities of a size comparable to Richland Center have longevity plans, which were initiated before 1975: Baraboo, Berlin, Cedarburg, Fox Point, Hartford, Hudson, Mayville, New London, Plymouth, Portage, Rice Lake, Ripon, River Falls, Sheboygan Falls, Sparta, Stoughton, Tomah, Waupaca, and Waupun.

According to Union Exhibit 7, the proposed longevity plan would give the Sergeant, the Assistant Chief, and the Lieutenant a 5% increase; one Patrolman a 3% increase, and the Secretary and one Patrolman 2% each. Two patrolmen and the Metermaid would not qualify. The average percentage for the Department would be 2.44%.

THE CITY'S POSITION. The City notes that the Union did not present in its case the information on what the cost of longevity would be. It states that the cost would come to \$1,973.60 (City Exhibit 6) and that amount would be the amount for the first year only. The City states that this represents approximately 20% of the total cost of the Union proposal. The City states that the Union has ignored this cost to the City.

Further the City has supplied its own list of comparable communities, which are in City Exhibit 1, and are the cities of Boscobel, Darlington, Dodgeville, Fennimore, Lancaster, Mineral Point, Prairie du Chien, Reedsburg, Richland Center and Viroqua. The City notes that only two of these cities have a longevity program and in both cases the program is modest. The City holds that the Union's list of communities for comparison has little merit because of their location, circumstances of those communities, and failure of the Union to document the total of wages and fringe benefits.

The City also notes that according to the testimony of Mayor Hardy of Richland Center the ranks of Lieutenant and Sergeant had been added to provide a type of longevity to older employees and to award longer term officers with pay through the use of additional ranks, which were not needed in actual operation of the Department.

For the Union to ask for a wage increase, longevity and insurance in a one year contract is too much.

III. INSURANCE

THE UNION'S POSITION. The Union holds that Article XIII, Section 13.02 in the former Agreement, should appear in the current Agreement. This article is as follows:

"The Employer agrees to maintain the present Salary Continuation Plan of \$70.00 per week for a period of up to fifty-two (52) weeks."

The Union notes that the employees received this benefit under the old insurance plan, and that under a new insurance plan with a different carrier the cost to the City has dropped from \$7.10 per month per employee to \$4.23, a saving of \$2.87 for the City.

The Union concedes that the overall cost of health insurance has increased somewhat, but the new plan has greater benefits for persons under the plan, including this insurance; and further, a rate increase was scheduled for the former plan anyway. The Union states that every employer has to face additional costs for insurance, and that the rates paid by the City are modest in comparison to other employees.

The "acid test", according to the Union, is the validity of the Union's contention that the employees already paid the price of this premium by concessions made during the course of negotiations for the last Agreement. At that time payment by the City of this insurance was part of an overall package agreed to; and now the City has an advantage in this since the cost for this type of insurance is less. The Union can not comprehend what the rationale of the Employer is in expecting the Union to relinquish what it had previously bargained for, and what the City had agreed to as a part of a fair bargaining process.

The Union claims that this is analagous to paying for the same horse twice. It objects then to the introduction by the City of this item into the 1975 economic package.

The Union also objects to the argument advanced by the City that it intends to grant group insurance coverage to other City employees. It states that there is no compulsion on the part of the City to do so. What is at issue here is a fair and equitable settlement for the Richland Center Police Department and not a forum for benefits for all city employees.

The Union speculates that the possible logic of the City is to offer other employees benefits negotiated by the Police Union so as to impeded the unionization of these employees. The Union further states that the City has not shown that it has granted other City employees seniority, similar sick leave provisions, arbitration rights and so on.

The Union objects to singling out this one item of granting all employees the same coverage - which is not yet a fact but only a possibility - and to use it to inflate the cost of the Employer's package is not valid. If other City employees are to be a part of this negotiation, then this Union should be granted recognition as their representative. No evidence has been given that other employees want a change in their insurance program, and no evidence has been offered as to other conditions of employment negotiated by this Union have been passed on to other employees. This past benefit, once negotiated, should not be involved in this matter now.

THE CITY'S POSITION. The City notes that it is going from one carrier to another for the insurance program, which will result in an increased cost to the City of \$677.28. If the feature proposed by the Union is added, the cost will be \$1,134.12. The City says that the Union ignores the fact that under the new plan there is a \$11.00 a month increase to the officers who are under the family premium program. The Union has failed to give credit to the City for the City's willingness to increase its insurance costs.

Further the City notes that it is proposing to pay 100% of the insurance premium. The City holds then that with a \$11.00 a month increase per employee on insurance, it would add an unreasonable cost to the City to add a salary continuation plan costing \$4.23 a month.

The City holds that the agreement provides for sickleave, allowing 78 days accumulation and a workman's compensation program that provides for 6 months full pay for a work related injury. It holds that this is adequate protection for the employees of the department, particularly when the year to be covered by the agreement at the time of the brief is already five months old.

The City holds that the Union did not take the time or make the effort to determine the cost of their proposal; or if they did, they decided not to use it because the Union realized its high cost to the City.

The City points to City Exhibit 1 in which the City has made a list of other cities which it thinks are comparable to the City of Richland Center. The City notes that it contributes 100% of the Hospital Medical Insurance Premium whereas some cities do not.

In Exhibit 2, the City provided the following information which is abstracted from the exhibit:

City	Hospital Medical Insurance Premium
Boscobel	\$58.53
Darlington	52.50
Dodgeville	38.58
Fennimore	55.55
Lancaster	64.63
Mineral Point	27
Prairie du Chien	42.29
Reedsburg	63.64
Richland Center (1974)	(46)
City Proposal	58
Union Proposal	62
Viroqua	40

The City, in Exhibit 5, states that under the current plan, the monthly premium for a family is \$46.25, with 6 officers participating. The cost for a single person is \$19.75, with one officer participating. Two officers have income protection at \$7.10 per month, and income protection is included in the premium for family and single plans.

Under the proposed Blue Cross Plan, the monthly premiums for family would be \$57.87 and for a single person, \$20.67; and income protection would be \$4.23 extra to be paid by the employee.

By calculations not to be repeated here, the City indicates that its total new cost for insurance under its plan would be \$667.64, taking into consideration an offset of savings from dropping the feature of income protection. If this protection is not dropped, the new cost to the City would be \$847.68. If income protection for all officers were added and the earlier cost of premiums for two employees used as an offset, the additional new cost for this protection for all employees would be \$286.44, or a total of \$1,134.12.

IV. OVERALL COSTS

The issue of overall costs was stressed by the City and many of its arguments went to the issue of the burden of these costs. These matters must be considered.

THE UNION'S POSITION. The Union basically objects to the introduction by the City of costs of fringes and other items which have already been agreed to or have been in effect. It states that the three issues in this matter are insurance, compensation and longevity, and all other matters are extraneous. If the City had not felt that the fringes agreed to had not been necessary, the City would not have granted them. Even the issue of insurance should not have been raised, since it was already agreed to. The matter of the cost of shift premium also should not have been brought into the discussion, nor also the cost of clothing allowance.

The Union states that when looking at the Union Exhibit 9, it becomes apparent that the demand for economic settlement is a modest one, amounting to 11.68% for wages and longevity. This is below the cost of living increase. Further the monthly department average increase, including longevity, is below the vast majority of increases granted law enforcement departments.

The Union notes that the City has a contingency fund of \$36,000 for wages. It states that the monthly increase in cost to the City for this department would be \$629.11, or \$7,489.32 annually, which is less than 20% of the contingency fund. The Union further notes that the police department budget was increased in 1975 over 1974 by about \$10,500, and it suspects that this money was intended for wages and fringe benefits.

The Union says that the money is available to meet the last offer of the Union, and there would be an amount left over of \$15,015 in the contingency fund. Even if the City's inflated costs were accepted, namely \$14,488.39, there would still be a surplus left.

The Union cites the decision of Arbitrator Stern in WERC Case I, Mia 122, Number 18479, Decision 13217 A, in which the arbitrator held that a 17% offer on the part of the City was not adequate because if it takes such a large increase to bring the city up to a level of wages paid in comparable places, it means that the city was not paying enough in the past, and the large cost of "catch-up" is an indication of sizeable past savings by paying too little.

THE CITY'S POSITION. The City's basic position in this dispute is that the requests of the Union when added together bring an unreasonable increase in costs to the City.

The following information is abstracted from City Exhibit 3:

COMPARISON OF INCREASED COSTS UNDER CITY AND UNION PROPOSALS

Item	City Proposal All Employees	Union Proposal All Employees
Wages	\$5,220.00	\$6,420.00
Insurance	677.28	1,134.12
Shift Premium	478.40	478.40
Uniform	450	450
Longevity	-----	1,973.60
Total	6,825.68	10,456.12

The above table covers 9 members of the department.

City Exhibit 7 on the total direct cost assumed by the city is an exhibit dealing with "roll-up" costs. Again abstracting from an exhibit, the arbitrator summarizes the exhibit.

The City asserts that based on its 1974 total payroll of \$74,649 for 9 employees in the Police Department, its fringe benefit costs amounted to 33.8% of payroll. This included health insurance at 4.8%; Workmen's Compensation, 1.6%; Retirement, 21.1%, social security, 5.75%; and life insurance, 0.6%.

The City however used a figure of 29% as a multiplier against its prospective increased costs of wages and fringes for 1975. It used this figure instead of 33.8% because the insurance cost was used in developing the total of increased direct costs. The following results were obtained:

ROLL-UP COSTS

Item	City Proposal All Employees	Union Proposal All Employees
Direct costs - wages and fringes	\$6,825.68	\$10,456.12
29% of above	1,979.45	3,032.27
Total costs	8,805.13	13,488.39
Aver. Monthly Inc. per employee	81.53	124.90
Current Aver. Mo. Wage Percent Inc.	651.66 12.5%	651.66 19.2%

In City Exhibit 8, the City indicated what it thought to be the impact on the City budget. It stated that the proposed budget for the Police Department for 1975 was \$109,000, which it asserted did not include allowance for an increase in wages and fringe benefits. It states that its actual 1974 department budget was \$103,339.64. It further states that all wage and fringe benefits for all city employees for 1975 are to come from a contingency fund allocated in the budget in the amount of \$36,000. From its exhibit the arbitrator has produced the following summary:

AMOUNT IN CONTINGENT FUND FOR POLICE BENEFITS

1. Total Payroll, 1974, for all city employees including police	\$298,515.00
2. Minus Police Dept. Payroll, incl. Chief	86,106.00
3. Remaining total	215,409.00
4. Times 8%, incr. to other city employees	16,992.72
5. Times 23%, line 4, cost of fringes	3,993.29
6. Total, lines 4 and 5, total incr. costs for other employees	20,986.01
7. Amount of contingent fund	36,000.00
8. Minus cost for other employees	20,986.01
9. Amount remaining for police proposals	15,013.99

The City noted here that its proposed cost for this benefit would be \$8,805.13, whereas the Union proposed cost would be \$13,488.39.

In its Brief, the City holds that its position is fair and reasonable and constitutes a reasonable cost to be assumed by the taxpayers. It notes that the City's overall proposal constitutes a 9.69% increase for all employees and a 10.4% increase for the seven law enforcement officers, whereas the Union overall costs would amount to 14.9% for the department and 15.6% for the law enforcement officers.

The City does not plead inability to pay, but at the same time cautions the arbitrator to consider the interest and welfare of the public and the financial ability of the unit of government to meet the costs. It states that the Union forgot the wage and fringe benefit increases and its exhibits did not tell the full costs to the governmental agency.

The City must consider the roll-up costs as real costs to government, and it notes that arbitrator also give them weight. These costs include health insurance, workman's compensation, retirement, social security and life insurance. When roll-up costs are considered, the City's proposal would come to a total costs for the benefit of the employees to \$81.53 a month average, or an increase of 12.5%. The Union proposal would bring this to \$124.90 a month, or a 19.2% increase. The City notes that the Union proposal would nearly extinguish the contingency fund, and would total almost as much as the benefits given all other City employees.

The City holds that the Union proposal is unrealistic and unreasonable under the current state of economic conditions which currently exist. The Union cannot justify an increase of 19.2% demanded by the employees of the Police Department.

The City in its brief cites its disagreement with the other cities selected by the Union for comparison.

Concerning the over-all costs, the City brief also dwells on the opinion of Arbitrator Stern in WERC Case I, cited above. The City states that the Union did not read the decision in its entirety, but referred only to a report made of it. The City claims that the position of the Arbitrator supports the position of the City. The City states that he used a comparison of communities which closely follows a list used in City Exhibit 2, and he compared population, median income, monthly maximum patrolman's salary, city contributions to pensions, and to hospital and medical insurance.

The City holds that the City's overall cost compares extremely favorably with the comparable communities and it does not have to catch up as it was alleged that the City of Dodgeville did; but the City has stayed and is staying ahead of other Southwestern communities. The City states that its various fringes and salary compare extremely well with the benefits paid in comparable communities, and therefore the City is justified in its position.

The City also argues that the taxpayers of Richland Center are paying a rate that is generally higher than the tax rate of surrounding communities, according to City Exhibit 9. The City states that it is concerned about a proposed budget bill in the 1975 legislature of Wisconsin which proposes a 9.5% and 7.5% limitation on allowable increases over the next two years.

The City also notes that the taxpayers are paying 25% of the cost of the Richland County budget.

The City points out that other city employees have already received an 8% increase. While there may be merit in the argument that police officers should receive increases above other employees, the City of Richland Center is meeting the argument by proposing a wage increase total of 10.6% to law enforcement officers and a total benefit improvement of 12.5%. The Union's proposal of doubling the increase for law enforcement officers over other employees is inequitable and unreasonable.

As to the cost of living, the City notes that over the last four years the increase to employees had risen on the average of 26.8% and the cost of living index rose at the rate of 24.8% so that the employees have been protected. The City states that the increase proposed by the City will also cover the consumer price index rise for 1975 at the present reported seasonally adjusted rate of 6.6%. This rate would have to rise significantly before it would be higher than the total benefit of 12.5% offered by the City.

The City argues that it has justified its position pursuant to Chapter 111.77 of the Wisconsin Statutes, and the Union has not sustained its position under this chapter, and has used documents and comparisons inappropriate for Richland Center. The City holds that the Union proposal would be totally unacceptable to the citizens and is an unreasonable burden on a city in a county that has been declining in population. The City notes that the population of Richland County went from 17,684 in 1960 to 17,079 in 1970, a 3.4% decrease. It also asserts that the population of the City of Richland Center went from 4,746 in 1960 to 5,086 in 1970, a 7.2% increase, but only because the City brought in some outlying areas. The City says that during the decade only seven counties in Wisconsin showed a percentage decrease greater than Richland County.

V. DISCUSSION.

For purposes of analysis of the two proposals, the arbitrator will follow the criteria set forth in the statutes.

THE LAWFUL AUTHORITY OF THE EMPLOYER. The arbitrator sees no legal impediments to any of the terms of either proposals.

STIPULATIONS OF THE PARTIES. The final amended offers of the parties resolved the issues of vacations and shift differential. The latter issue involved a movement forward by the City with a cost that has an impact on the overall cost of the proposal of the City.

THE INTERESTS AND WELFARE OF THE PUBLIC. The City has argued that it is not in the interest and welfare of the public for it to have to meet the Union requests because of economic uncertainty, because Richland Center is in a rural county, and because the County is declining in population. The Union holds that it is in the interests of the public to have good experienced police officers and that compensation and longevity are a means of holding them.

The arbitrator does not consider the issues of economic uncertainty and the decline of population in the County to govern here since the City itself has gained in population, and since the wage rate of the counties Deputy Sheriffs, when considered by itself, is substantially above the City offer.

As for the Union's position, the arbitrator believes that its statements on the value of experience are correct, but the question here depends mainly on comparability of benefits and overall costs.

THE ABILITY OF GOVERNMENT TO MEET THE COSTS. The City states that it is not arguing a lack of ability to pay; yet many of its arguments do go to the ability to pay. The City's references to loss of population in the county, a rural surrounding population, generally low economic conditions in Southwestern Wisconsin, the resistance of taxpayers, and the near extinction of the contingent fund are arguments related to the ability to pay.

An inspection of previous budgets indicate that the contingency fund was not existing in 1973 or allocated to actual specific items such as wages in the budget summary. In 1973-1974 the fund was about \$27,000. According to the testimony most of the fund is used for wages, and a small amount for other purposes. If the contingent fund were exhausted, the testimony was that the City would have other ways to help itself.

The arbitrator holds that the argument that the Union request might exhaust this fund is not a main reason for denying the request. He also holds that the fact that the fund is used principally for meeting increases in wages and benefits is not a main argument for acceding to the Union request.

COMPARISON OF WAGES IN PUBLIC EMPLOYMENT IN COMPARABLE COMMUNITIES. One of the main hinges on which this matter turns is the comparability of the various proposals with conditions in other communities, and on the sample of communities selected by each party. The City has one list of communities mainly in Southwestern Wisconsin, and the Union has another, mainly of Wisconsin cities of a similar size. The City argues that its list more nearly fits statutory requirements for similarity because of geography and because Arbitrator Stern in the Dodgeville case used a similar list. The Union argues that the City's list is not comparable because it contains small cities where the police are not organized, and the list does not compare Richland Center Police with Richland County Deputy Sheriffs. The City says that Police and Deputies should not be compared because they perform different duties and are in different types of governments.

In looking at the respective lists the arbitrator is not completely satisfied with either list as an accurate standard for comparison. The Union list includes cities in the areas influenced by the Fox Valley and by the Milwaukee area; and the City list takes in very small cities in Southwestern Wisconsin.

The arbitrator believes that he must recognize a regional influence being exerted over cities in the Southwestern area of Wisconsin, the "Driftless area", a region where the unglaciated lands make for more difficult farming and poorer highway travel than in the more rolling lands to the east and north. Thus he has taken from the two lists of comparable communities information which he thinks provides a more accurate comparison. A table is shown here of cities from 3,000 to 7,000 population in an area in which Richland Center is approximately in the center, with a radius extending about 50 miles therefrom. This area includes the Driftless area. Baraboo is excluded as it has a population of nearly 8,000.

LIST OF SELECTED CITIES, POPULATION 3,000 TO 7,000
 WITHIN 50 MILES RADIUS OF RICHLAND CENTER
 POPULATION, 1970, MEDIAN ANNUAL INCOME, MAXIMUM FOR PATROLMAN
 AN INCREASE IN 1975

City	Pop.	Med. Annual Inc.	Mo. Max. Patrolman	Mo. Inc.
Dodgeville	3,259	9,750	750	
Lancaster	3,756	9,424	745	
Prairie du Chien	5,540	7,613	750	
Reedsburg	4,588	9,354	825	75
Richland Center	5,086	8,750		
City Prop.			745	55
Union Prop.			755	65
Sparta	6,258	9,523	770	(10%)
Tomah	5,647	9,791	773	73
Viroqua	3,739	7,500	775	

For an inspection of this table it is seen that the offer of the City of Richland Center for wages alone is low, although the median annual income in 1970 was also relatively low. The arbitrator recognizes that he must work with data on population and income that is already half a decade old.

COMPARISON OF LONGEVITY PLANS. Using the same cities as above, one ascertains from data submitted by both parties that Dodgeville, Lancaster, Prairie du Chien, Richland Center and Viroqua do not have longevity plans, whereas Reedsburg, Sparta and Tomah do. On the basis of comparison, it appears that the pattern at this time does not show a majority of comparable communities in the region to have such plans.

COMPARISON ON INSURANCE OFFERED. Using the same list of cities, but with data derived only from City Exhibit 2 which omits Tomah and Sparta, the following table is derived:

City	<u>Hospital Medical Insurance Premium</u>
Dodgeville	38.58
Lancaster	64.63
Prairie du Chien	42.29
Reedsburg	63.64
Richland Center	
City Proposal	58
Union Proposal	62
Sparta	_____
Tomah	_____
Viroqua	40

From the above table, it appears that the average payment made is about \$50. The City proposal of \$58 seems to constant an adequate effort. Neither party offered a comparison on insurance which included salary continuation.

COMPARISON OF OVERALL COMPENSATION INCLUDING FRINGES. It is a main argument of the City that comparison of wages alone does not tell the whole story of the total cost to the City. In City Exhibit 3, the City states that the cost of the offer it is making is \$6,825.68, which would come to an average of \$63.20 a month for the 9 employees or an increase of 9.69%, whereas the Union proposal would cost \$10,456.68, or \$96.82 per month for each of the nine employees on the average, an increase of 14.9%.

The City further states in Exhibit 7 that its roll-up costs on its proposal would amount to 29%, or \$1,979.45 on the increase in wages and fringes, for a total increase of \$8,805.13, or a 12.5% increase over all. The City states that the Union proposal would cost \$3,032.27 in roll up costs for a total increase of \$13,488.39, or a total increase of 19.2%.

The City argues that it can not accept the Union request, particularly when its other employees received only 8%. The arbitrator must note here that figuring roll-up costs for the other employees, they did not receive just 8%, but about 9.9%, so that the City's use of 8% in this context is not quite valid.

The arbitrator notes that from City Exhibit 10, which he accepts as credible evidence, that the City has kept up fairly well with changes in the consumer price index, but he does not view the City's offer for 1975 as also covering any increase which may occur in this year.

The statute states that the arbitrator shall give weight to the factors of overall compensation, including direct wage compensation, insurance and pensions, medical and hospitalization benefits and so on. In this way the Employer's overall effort can be more accurately measured. Now it should be noted that the Employer granted an increase for shift differential and funds for uniform allowance, plus raising the payment for insurance. Under the criterion of overall costs, the Employer's costs, including roll-up costs, comes to a percentage increase slightly above the cost of living increase for 1974 to 1975; his increase is 12.5% as compared to the cost of living increase of 12.2%.

On the basis then of his overall increase and effort, the Employer's proposal meets the criterion in the statute.

COMPARISON WITH DEPUTY SHERIFFS. The City introduced into its exhibits information which indicates that when compared with the Union exhibits on Deputy Sheriffs that the Police of Richland Center are paid less. The arguments of both parties on this issue have been given. The influence of Deputies compensation in the opinion of the arbitrator is not to be discarded and tends to influence the arbitrator to think the City's wage offer is too low. However accurate data is missing on the overall effort of Counties and also on comparable benefits of other types, which the statutes require to be considered, and so the data is not complete enough to give full weight to it.

Also in the overall picture, it should be noted that the cost of uniform allowance comes to \$4.16 a month average, the cost of shift differential comes to \$4.42 a month and the net cost of insurance comes to about \$6.27 a month after the continuation of salary feature is dropped. The net increased cost to the City for these features then comes to about \$15 a month, which figure should be set alongside the City average salary for patrolman at the top of \$745.

COMPARISONS WITH OTHER LOCAL EMPLOYEES IN PUBLIC SERVICE. A factor in favor of the City is that its other employees accepted an 8% increase while the Union is asking for a 14% increase not counting roll-up costs. The City believes that it would be an inequity to have such conditions obtain. The arbitrator is not moved by the City's statement that some prospective benefits for the Union may have to be given to other employees and this will cost the City some money, but he does believe that the percentage disparity between what the City has granted and what the Union is requesting is a few percentage points too high.

COMPARISONS ON TOTAL INCREASES. The City in Exhibit 2 showed a total compensation and benefit contribution of the various cities mentioned in its list. It showed an average of \$813.78 paid in the 9 cities in the list, with variations on a monthly basis from \$695.55 to \$938.14. The City states its proposed total benefits would come to a monthly average of \$848 and the Union's total would be \$862.

If the City's list had dropped from its cities below 3000, the average total compensation would come to \$847, which is \$1 less than the City's offer for patrolmen. The City's offer therefore must be considered average.

COST OF LIVING. Considering the direct and indirect benefits in terms of dollar cost, the offer of the City meets the change in the consumer price index. The wage offer of the City is low, but its fringe benefits in shift differential, insurance and uniform allowance helped raise the level of benefits.

SALARY CONTINUATION INSURANCE. Some special comment is required on salary continuation insurance. A main Union contention here is that a benefit once gained should not be taken away. It argues that in gaining this benefit, the Union had to forego other benefits it might have had. In view of the new carrier of insurance and the new type of coverage at a higher cost to the City, the arbitrator believes that it constitutes a legitimate trade-off for the City to increase its total outlay, and to try to get one feature dropped. Since the employees do get workmen's compensation and up to six months full pay for illness under Article XI of the prospective Agreement, coverage will likely to be adequate for catastrophic illness.

VI. AWARD

The 1975 Agreement between the City of Richland Center and the Richland Center Police Department, Local 2085-A, AFSCME, AFL-CIO, shall incorporate the terms of the amended final offer of the City on wages, longevity, and insurance, primarily because although the City's direct wage offer is low, its total effort in direct costs, fringe benefits and roll-up costs comes to 12.5% which exceeds the rise in the consumer price index for the prior year, which was 12.2%.

Frank P. Zeidler
Arbitrator

July 10, 1975