

In the Matter of the	-	
Final and Binding Arbitration	-	Case XII
Between:	-	No. 20006 MIA-205
	-	Decision No. 14255-A
WAUSAU PROFESSIONAL POLICEMEN'S	-	
ASSOCIATION and	-	ARBITRATION AWARD
	-	
CITY OF WAUSAU	-	ARBITRATOR:
	-	Gordon M. Haferbecker

BACKGROUND

The 1975-76 labor agreement between the City of Wausau (hereinafter "City") and the Wausau Professional Policemen's Association (hereinafter "Association") provided that negotiations could be reopened for 1976 on wages, vacations, and medical insurance.

Negotiations on these matters took place between the parties in the fall of 1975. After four bargaining sessions, the parties agreed to petition for mediation and George Fleishli of the Wisconsin Employment Relations Commission was appointed mediator. Mediation was not successful and on January 8, 1976, the Association filed a petition for final and binding arbitration, pursuant to Section 111.77 of the Wisconsin Statutes. After an investigation the Wisconsin Employment Relations Commission on January 15, 1976, determined that an impasse existed and ordered the parties to submit the remaining issues to arbitration.

The Association filed its Notice of Final Offer as of January 14, 1976, dated January 22, 1976, and the City of Wausau, through its attorneys, did likewise, by letter dated January 23, 1976.

Professor Gordon Haferbecker of Stevens Point was selected by the parties as the arbitrator. Final offers of both parties were submitted to him on February 27, 1976.

The public arbitration hearing was held at the Wausau City Hall commencing at 9:00 a.m. on March 5, 1976. The Association's case was presented by Neil M. Conway, Attorney for the Wausau Professional Policemen's Association. The case for the City was presented by James L. Everson, Attorney for the City of Wausau. Ann Seeman, Court Reporter, prepared the record of the proceedings.

It was agreed by the parties that post-hearing Briefs would be filed within two weeks of the receipt of the transcript and that Reply Briefs would be filed within two weeks after the exchange of the post-hearing Briefs. The parties filed Briefs on April 8, 1976, and Reply Briefs on April 22, 1976.

ISSUES

The parties agreed to leave the medical insurance provisions unchanged for 1976; thus the remaining unresolved issues are wages and vacations.

Wages. The offer of the Association was to increase the monthly wages for the members of the bargaining unit as covered by Column B of the Appendix A of the 1975-76 contract in the amount of \$68 per person, per month, with the wages of said members covered by Column A of the Appendix to be adjusted to reflect the effect of the \$68 as provided in Article 12 of the Agreement.

The City's offer was for a 6% (approximately \$54 per month per person) increase in wages for the members covered by the rates in Column B and an adjustment in the rates in Column A to reflect this increase by multiplying the 1976 B rate by 106 and dividing the results by 104.

Vacations. The Association proposed that Article 1 of the Agreement be amended so that after 15 years of service the Association members would receive four weeks of vacation and after 20 years of service five weeks of vacation.

The City proposed four weeks of vacation after 18 years of service and five weeks after 23 years.

All of the above changes were to be effective as of January 1, 1976.

Stipulations by the Parties. Joint Exhibit #1, presented at the hearing, stipulated the agreement of the parties that the additional cost to the City of the Association offer would be \$52,977 for 1976 and that the additional cost, above 1975, for the City's offer would be \$44,610. The difference in the two offers was \$8,367. The percentage increase in cost was estimated at 8.8% under the Association offer and 7.4% under the City offer.

The parties stipulated that the City of Wausau is not unable to pay the cost of the Association's proposal.

The arbitrator must choose the final offer of either the Association or the City.

VACATIONS

The present contract provides for four weeks of vacation after 20 years of service. The Association proposes that this be modified so that after 15 years of service the Association members would receive four weeks of vacation and after 20 years of service five weeks of vacation. The City proposes four weeks of vacation after 18 years and 5 weeks after 23 years.

Association position. The Association argues that there is only a difference of 16 days between its offer and the City's offer. Because of police retirement at age 55, the ability of police to enjoy a lengthy vacation would last for only a few years at most. The City was recently required a policewoman to retire at age 55 but has allowed a supervisor to remain on the job after age 55. Thus, supervisors, with a clause of 5 weeks vacation after 23 years, can expect to enjoy the 5 weeks for some years. The patrolmen, with such a clause, would not (Assoc. Brief, p. 23).

City position. The City contends that its offer will move Wausau officers from 6th to 4th in comparisons on the 4th week (24-day) vacation benefit and that the new vacation step, 5 weeks (30 days) after 23 years, will move the Wausau officers from 5th to 3rd among area law enforcement employers, exactly equal to Marathon County.

New benefits are rarely given all at once. The Association proposal would move Wausau from no 5-week vacation benefit to the best 5-week vacation benefit among Wisconsin Valley law enforcement employees. It would place Wausau ahead of the Marathon County Deputy Sheriffs. It would not contribute to stability in the City-County relationship.

The arbitrator recognizes that the vacation issue is definitely secondary to the wage issue in this case. The parties are not too far apart on the matter of vacations. Either proposal would represent a gain for the Wausau police. I think that the City's plan is more reasonable and better defended but I can see the concern of the Association about the difference in handling mandatory retirement for police and for supervisors and the impact of this on the availability of the five-week vacation.

In any event the decision in this arbitration will be based primarily on the wage issue.

WAGES

It is not feasible because of the large volume of data presented for the arbitrator to review in detail all of the material presented by the parties. The transcript of the hearing totalled 287 pages. The Association presented 22 Exhibits, a Brief of 27 pages, and a Reply Brief of 7 pages. The City presented 14 Exhibits, a Brief of 27 pages, and a Reply Brief of 24 pages, plus attachments of 10 pages. This was indeed a weighty case.

I will summarize the principal arguments of each party, before proceeding to an analysis.

Association's position. The Association feels that the greatest weight in the wage decision should be put on police wages in comparable communities. A number of

arbitration decisions have used, as comparables, cities over a wide geographic area. The Association feels that the proper comparables with Wausau are cities with a population of between 20,000 and 50,000 (Association Exhibit #15). Data is provided concerning per capita income, tax rate, police pay, and other materials concerning these cities. In patrolmen's pay, Wausau ranks 15th out of 16 cities on which figures are available for 1975.

Wage increases for police in 1976 have been larger than what the City of Wausau is proposing. The Marshfield increase is 9.9%, including a \$65 per month wage increase and excluding medical cost increases. The Town of Weston (Marathon County) gave a 9% increase, including \$81.25 per month in wages and excluding increased medical costs. Neenah gave an 8.23% increase or \$85 per month in wages. Stevens Point gave a 5.08% wage increase plus a reduction in work week from 42 hours to 40 hours without a reduction in pay. Marathon County Deputies received a \$50 per month wage increase plus \$41.23 per month in additional insurance premiums. The settlement package came to about 9% above 1975. Other increases are cited in the area of 9% (Association Brief, pp. 12-15).

The arbitrator should not be bound by the percentage settlements that other Wausau public employees have accepted. These groups do not have the right to arbitration which the police have.

Third-quarter settlements in major collective bargaining units were running at about 11.4% according to the B.L.S. (Association Exhibit #13). The Chairman of the Personnel Committee for the Chamber of Commerce stated that to the best of his knowledge wage settlements in Wausau during the years of 1974 and 1975 were averaging 7% to 8% per year over the life of the contract, excluding fringes.

The Association's Exhibit #12 shows cost of living increases of 8.8% in 1973, 12.2% in 1974, and 7% for 1975. Since 1973, under the City's proposed raise for the year 1976, the police would be falling behind the rise in the cost of living by over 2% (Association Brief, p. 20).

While the City's medical insurance costs have increased, this does not represent a new benefit, since the City is merely meeting its obligation under the contract. The increase in benefits to the Association under the City's offer is 6.14% and under the Association offer 7.54% for the year 1976, including all rollup costs but excluding medical insurance (Association Exhibit #6).

The Association is entitled to the modest wage increase it is requesting, only one-half of 1% above the cost of living increase.

City's position. The City contends that the only "comparable communities" in this arbitration are: Wausau, Stevens Point, Marshfield, Wisconsin Rapids, Marathon County, Portage County, and Wood County. The Association did use testimony from witnesses from Marshfield, Stevens Point, and Marathon County and provided no good reason for excluding Portage County, Wood County, and Wisconsin Rapids.

The comparables used by the City are selected because they are the major area public employers of law enforcement personnel. They are comparable as evidenced by previous arbitrations and fact findings and the geography and economics of the area. The City cites several Wisconsin Valley arbitration and fact finding cases in which comparisons were limited to Wisconsin River Valley Cities (pp. 5-6, City Brief). Within the fifty-mile radius of Wausau there is an economic area affecting Wausau in which the cities compete for labor and have a similar economic background. Neenah, which the Association used as a comparable is in an immediate population area of at least 150,000 persons and Neenah is about 100 miles from Wausau. The greater Wausau area has about 63,494 people.

The Association argues that comparisons with other Wisconsin River Valley employers will limit "growth" but this ignores the real growth the Association has experienced over the years through voluntary settlements.

The City states that its final offer will give Wausau patrol officers wages and benefits which are similar to wages and benefits found in comparable law enforcement agencies. As shown in City Exhibits #5, 6, 7, 8, Wausau officers rank near the top in wages and benefits in 1975 and will also do so under the City's offer. Under the City's 1976 offer Wausau patrol officers will rank first in monthly salary over the four employers who have reached 1976 agreements (City

Exhibit #10). The Wausau patrol officers will be \$10.00 per month ahead of the Marathon County Deputy Sheriffs, \$25 ahead of Marshfield and \$26 ahead of a Stevens Point patrol officer or Portage County deputy. (Wisconsin Rapids and Wood County have not settled for 1976.) For the four units that have settled (Marathon County, Portage County, Stevens Point, and Marshfield) the average 1976 increase was \$54, an average increase of 6.1%. Wausau's \$54 offer and 6%, is therefore reasonable.

Wausau ranks favorably in its retirement and insurance program contributions, second or third in medical insurance and first in retirement (City Exhibits #7 and 8).

In real earnings for 1976, comparing Wausau, Marathon County, Portage County, Marshfield, and Stevens Point, a Wausau patrolman with 5 years experience would have net wages of \$11,423 or \$951.92 per month. This takes into account longevity, retirement payments and medical payments by the employee. This comparison puts the Wausau patrolman \$10 to \$37 above the other four units (City Exhibit #11).

The Association's offer would unreasonably increase the wage differential between the Wausau police officer and a similar officer in Marathon County, Portage County, Stevens Point, and Marshfield. The differential between the Wausau and Marathon County deputy would widen from \$6 to \$24. Between Wausau and Stevens Point it would go from \$16 per month to \$40, between Wausau and Portage County from \$29 to \$40, and between Wausau and Marshfield from \$36 to \$39. The average difference between Wausau and the four units would increase from \$17.40 in 1975 to \$30.60 in 1976. The Association has not justified such an increase.

The City's final offer provides the same percentage wage increase to police officers as was offered to other City-County employees. The Association's offer would give the patrol officers a 7½% wage increase compared to 6% for other city employees and it would be \$5 per month greater than the \$63 increase granted supervisory officers. Arbitrators should be concerned with maintaining equitable relationships between all employees and an employer.

The total package offered by the City (7.4%) to the police is nearly equal to that accepted by the Marathon County Deputy Sheriffs (7.635%). The Association's offer would be a 1976 cost of 8.8% (Joint Exhibit #1, p. 3). This would be clearly excessive.

Wausau police officers earned an average of \$10,252 in 1974 (City Exhibit #15). This placed them well above the 58th percentile in a Personnel Club Survey of more than 40% of the City's wage earners and covering Wausau's major employers (City Exhibit #14). Mr. George Glaser testified that private sector wages increased between 7 and 8% in 1975 (T, p. 204). Wausau Police received an average 9% increase in 1975.

Consumer Price Index changes in the past year do not justify a wage increase for Wausau police officers beyond that offered by the City. The Consumer Price Index (CPI) is an inaccurate and unreliable gauge of inflation in Central Wisconsin. Items like medical costs have little relevance when the City pays nearly all the costs. The Wausau teachers' contract, for example, provides a cost of living adjustment equal to 75% of the rise in the CPI (T, p. 180).

The CPI rose 7% in 1975 but the cost to the City of its wage offer plus insurance, retirement, and other "rollups" will be 7.4% (Joint Exhibit #1). The Association's package cost of 8.8% is clearly in excess of the CPI increase of 7%.

The Association is inconsistent in recognizing increased social security costs, required by law and not recognizing increased medical costs, required by contract.

City Exhibit #12 shows that except for a brief period in late 1974, Wausau patrol officers have remained ahead of the CPI since 1971. Wage increases were 48.1% and the CPI rose 39.5% since 1971. In addition, fringe benefits were improved over this same period.

The low turnover in the police department and the large number of applicants for vacancies shows that present wages and benefits are attractive and provide for continuity and stability of employment.

Finally, the City requests that the arbitrator sustain the City's objection to the Association's last-minute introduction of Association Exhibits #12 through 19

because there was not adequate opportunity for careful consideration and cross-examination (City Brief, p. 24-25 and T, p. 236).

ARBITRATOR'S ANALYSIS

The issue of comparability. A good deal of the material in this case, particularly the Briefs and Reply Briefs, deals with the question of what communities should properly be compared to Wausau. I am accepting the Association's Exhibits #12 through #19 as part of the record for consideration, although it would have been better had there been more opportunity to consider them at the hearing. The City, however, did respond at length in its Reply Brief.

There are good reasons for giving primary consideration to communities in the Wisconsin River Valley as comparables in fact findings and arbitrations in this part of the state. There are common industries in the area and considerable contact among the citizenry, the governing bodies, and the unions. The citizens know the various communities and can readily understand the logic of wage and fringe benefit comparisons in both public and private employment. The area does represent a regional labor market. Historically, both public and private employers and unions have used regional inter-city comparisons in their collective bargaining and in interest arbitrations.

The Association points out, with some justification, that comparisons restricted to Wisconsin River Valley cities may work to the disadvantage of employees of the largest city, Wausau, since the comparables are all smaller communities. This may not be to the disadvantage of the smaller communities since they always have Wausau available as a comparison.

I think, therefore, that it may be appropriate in cases involving Wausau to consider--in addition to Wisconsin Valley cities--some other communities if satisfactory comparables can be found.

I do not think this can be done on the basis of city population alone, as the Association does in its Exhibit #15. The population of a community cannot be considered apart from its neighbors and of the region. Neenah, for example, is part of a populous region including Oshkosh and Appleton. Menasha is smaller and not in the Association exhibit and yet its wage policies would certainly be influenced by its larger twin city, Neenah, and by its closeness to the Appleton and Oshkosh labor markets. Many of the cities in Association Exhibit #16 are in the Milwaukee metropolitan area (Waukesha, New Berlin, Brookfield, Menominee Falls, South Milwaukee, Cudahy, Greenfield, West Allis, Wauwatosa) and I do not think could be properly compared with Wausau. They are in a much different labor market and there are probably significant differences in wage levels and in costs of living. The same may be true to a lesser extent of southeastern Wisconsin cities like Fond du Lac, Manitowoc, and Sheboygan and of Madison area cities like Janesville and Beloit.

There is real difficulty in finding suitable comparables outside the Wisconsin River Valley area. In my opinion, without having made a careful study of their suitability, I would suggest that the Association and the City, in their future bargaining, consider Eau Claire and LaCrosse as possibilities. Their size, larger than Wausau, would need to be taken into account. I would still feel, however, that first consideration should be given to the Wisconsin River Valley Communities cited by the City.

I have not attempted a detailed comparison of Wausau with Eau Claire and LaCrosse but Association Exhibit #15 shows that Eau Claire's 1975 police pay range is \$770 to \$959, LaCrosse is \$835 to \$909, and Wausau is \$766 to \$901. Wausau police reached the maximum in two years, compared to 36 months at LaCrosse and 48 months at Eau Claire. A patrolman with two years experience would earn \$880 at LaCrosse, \$883 at Eau Claire, and \$901 at Wausau in 1975 (Association Exhibit #16). With more experience the Eau Claire and LaCrosse patrolmen would earn more. The Wausau and Eau Claire minimums are close together as are the LaCrosse and Wausau maximums. Considering its smaller size than Eau Claire and LaCrosse, the Wausau schedule does not seem out of line.

I think there is significance in City Exhibit #3 showing that the members of law enforcement personnel in the seven units compared is very similar and the difference in numbers of personnel are less than the population differences in the communities.

There are some difficulties in making good comparisons among the Wisconsin Valley cities at this time. Wisconsin Rapids and Wood County have not settled. The Stevens Point wage increase was probably smaller than might otherwise have been the case because of a reduction in the work week from 42 to 40 hours. A large part of the settlement cost with the Marathon County Sheriff's Deputies in 1976 was for medical insurance since the insurance costs went up sharply and the deputies have a County fixed dollar contribution rather than the percentage provision in the City police contract. More complete comparisons may be possible in the next negotiations.

Consequences in selecting the Association offer: It would give more recognition to the population differential between Wausau and its neighboring cities by increasing the wage differential. It would maintain a substantial wage differential over Marshfield and take into account the \$65 monthly increase granted to their police in 1976. It would more fully recognize inflation which has occurred since 1973. It would be closer to private industry wage settlements in 1976.

On the other hand, it would give a wage increase about 25% higher (6% vs 7½%) than has been given to most other City of Wausau employees. It would increase the average spread between Wausau and other Wisconsin Valley police units that have settled from \$17.40 in 1975 to \$30.60 in 1976. The Association's offer for the Police would be a 1976 cost of 8.8% compared to the 7.635% cost of the Deputy Sheriff's settlement.

Consequences in selecting the City's offer: It would keep Wausau police wages and benefits in about the same relationship with other Wisconsin Valley cities that existed in 1975. Wausau will continue to be at or near the top in most comparisons. It would contribute to stability and continuity in labor relations and equity with other City of Wausau bargaining units because the wage percentage increase is the same, about 6%. It would represent an increase very close to that granted the Marathon County Deputy Sheriffs and would contribute to stability in the wage relationships between the two major law enforcement units in the County. The total cost to the City of its proposed settlement is 7.4% which exceeds the 1975 cost of living increase of 7%. In addition to the wage increase the increased medical insurance dollars help employees meet the cost of living rise.

On the other hand, the City's offer decreases the Wausau-Marshfield police pay differential. It does not take into account some of the special circumstances in 1976 Wisconsin River Valley settlements, such as the reduced work week in Stevens Point and the possibility of larger settlements in Wood County and Wisconsin Rapids.

CONCLUSIONS

The Association case rested heavily on the issue of comparable cities outside the Wisconsin River Valley. The arbitrator did not find most of those comparables to be similar enough to Wausau to be given much weight in this case. Major consideration still had to be given to the Wisconsin River Valley cities and counties for reasons cited earlier.

The City case rested heavily on the desirability of maintaining existing relationships among wages and wage increases for the various city bargaining units and for the Marathon County law enforcement unit. The City stressed maintaining Wausau's relative rank in wages and fringe benefits among Wisconsin Valley cities. These are important considerations in this case. I am still concerned about the special circumstances in the 1976 bargaining in Stevens Point, the Marshfield-Wausau police differential and the fact that the record is incomplete because Wisconsin Rapids and Wood County have not settled.

The arbitrator is not free to fashion his own compromise. He must select one or the other of the final offers.

Taking into account the total record in this case, and considering the analysis above, I conclude that the last offer of the City is the most fair and reasonable.

AWARD

I direct that the City's last offer on wages and vacations be incorporated into the 1975-76 contract between the City of Wausau and the Wausau Professional Policemen's Association.

Dated April 30, 1976

Gordon Haferbecker /s/
Gordon Haferbecker, Arbitrator