

STATE OF WISCONSIN

ARBITRATION AWARD

In the Matter of :
THE CITY OF FOND DU LAC : Re: Case XXXI
and : No. 20022 MIA-209
FOND DU LAC PROFESSIONAL POLICEMEN'S : Decision No. 14405-A
ASSOCIATION :

INTRODUCTION

This is a proceeding under Section 111.77(3) of the Municipal Employment Relations Act. The arbitrator was chosen by the parties from a panel of arbitrators furnished to them by the Wisconsin Employment Relations Commission. The arbitrator has been instructed to select the final offer of one of the parties and to issue an award incorporating that offer without modification.

A hearing was held in this matter in Fond du Lac on May 4, 1976. The City was represented by Neil Gundermann, Consultant, 6617 Seybold Road, Madison, Wisconsin 53719. The Fond du Lac Professional Policemen's Association was represented by Dennis W. Herrling, Esq., Herrling, Hamilton & Swain, Attorneys at Law, 319 North Appleton Street, Appleton, Wisconsin 54911. The parties presented testimony from witnesses and in documentary form. At the conclusion of the hearing they agreed that written briefs would be submitted to the arbitrator. The arbitrator made a simultaneous exchange of the briefs on May 27.

THE ISSUE

There is only one issue. The Association proposes that wages be increased by \$68.00 per month effective January 1, 1976. The City proposes a two-part salary increase consisting of \$30.00 per month effective January 1, 1976 and an additional increase of \$26.00 per month effective July 1, 1976. Both offers would apply across-the-board. The unit represented by the Association includes all officers in the Police Department excluding the Chief, the Assistant Chief, and the Captains. Included are Patrolmen, Sergeants, Detectives, Juvenile Officers, and Lieutenants.

Although there was some difference in their presentations, the City's estimates of the relative costs of the settlements proposed by the two parties was undisputed. That presentation was as follows:

<u>City Offer</u>	
Wages:	\$43.00 (\$30 on 1/1/76 - \$26 on 7/1/76)
Insurance:	26.68
Rollups: (increased contributions to state retirement fund)	<u>8.13</u>
Total:	\$77.81
Increase as percentage of base salary:	7.96%

Association Offer

Wages:	\$68.00	(on 1/1/76)
Insurance:	26.68	
Rollups:	<u>12.85</u>	
Total:	\$107.53	
Increase as a percentage of base salary:	11%	

Since the insurance increase has been agreed upon and the rollups are determined by the increases in wages, the key difference is between offers of 4.4 per cent wage increase by the City and a 6.95 per cent wage increase by the Association.

ARGUMENTS IN SUPPORT OF RESPECTIVE POSITIONS

The Association makes several arguments in support of its position. First, it demonstrates that the proposed wage increase is comparable to the increase in average hourly earnings between March, 1975 and March, 1976 for manufacturing employees in Fond du Lac, as reported by the State Department of Industry, Labor, and Human Relations. According to those reported figures Fond du Lac manufacturing employees' hourly wages increased in the period from \$5.36 to \$5.75, 39 cents per hour or 7.3 per cent. When put on an hourly basis the Association's proposal of a 6.95 per cent monthly increase comes to 40 cents per hour, almost precisely the same as the increase in average hourly earnings for manufacturing employees in the city of Fond du Lac.

The Association also introduced three labor agreements negotiated at various times in 1975 to show that rates for electrical workers and laborers in the building trades had received larger increases and had hourly rates higher than policemen's rates and that a local leather company had settled in November, 1975 for 45 cents per hour.

Also introduced were data published by the U.S. Department of Labor Bureau of Labor Statistics showing that the Consumer Price Index had increased by 12.2 per cent in 1974, 7.0 per cent in 1975, and that the change from January, 1975 to January, 1976 had been 6.8 per cent. The latter figure is consonant with the level of the proposed increase for this unit.

Figures were introduced that purported to show that the important measures of police department activity had shown an upward trend for the years 1973, 1974, and 1975. The upward trending categories included such items as offenses known to police, value of property stolen and value of property recovered, total of arrests, business establishments and residences checked, fees collected, parking tickets issued, and squad car and motorcycle mileages driven. According to the Association, all these measurements indicate increased productivity by the police force.

It was pointed out that various other individuals, including the City Manager, and police groups in the area had enjoyed wage increases substantially higher than the increase being considered in this case.

The Association's most persuasive argument was a comparison of police department wages and settlements for other cities in the vicinity. The Association considers the cities in the Fox River Valley and some others nearby as the most important comparables in determining the appropriate settlement in this dispute. The figures introduced by the Association indicated that the position of the Fond du Lac police rates has declined during the past two to three years in comparison with these other cities and that the level of settlements for 1976 in wages and insurance has been about at the level of the Association's proposal here. The Association introduced figures that showed the following comparisons for the patrolman classification for 1976:

	Mo. <u>Min.</u>	Mo. <u>Max.</u>	<u>% Incr.</u>
Fond du Lac (Assoc. proposal)	\$934	\$1031	6.95
Green Bay	700	1071	6.78
Appleton	928	1041	7.3
Neenah	935	1055	8.76
Oshkosh	946	1050	7.0
Menasha	912	1042	7.0
Sheboygan	894	1076	7.7 to 9.2
Manitowoc		NOT SETTLED	

If the City's offer were adopted, the figures would be as follows in the second half of 1976:

922	1019	4.4
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To further support its position on comparability with other Fox River Valley cities, the Association introduced a 1969 fact finding report by Philip G. Marshall in a dispute between these two parties. That report recommended that the Association's proposal be adopted in the 1969 dispute. By implication the fact finder appeared to support his decision by reference to comparable rates and settlements in other Fox River Valley cities.

The City supports its position mainly with reference to its own internal considerations. It settled earlier with AFSCME as representative of a public works unit and with IAFF as representative of fire fighters for amounts and percentages as shown below:

PUBLIC WORKS (AFSCME) SETTLEMENT

(Increase per month)

Wages:	\$24.27
Insurance:	25.67
Rollups:	4.33
Reclassifications:	<u>.10</u>
Total:	\$54.37
Increased as a percentage of base salary:	6.94%

FIRE DEPARTMENT SETTLEMENT

(Increase per month)

Wages:	\$40.00 (\$30 on 1/1/76 - \$20 on 7/1/76)
Insurance:	26.68
Longevity Change:	.79
Professional Improvement	1.23
Rollups:	<u>8.36</u>
Total:	\$77.06
Increase as a percentage of base salary:	7.98%

The City argues that its offer in this dispute is similar to the settlements already made and that to depart from those settlements by the amount proposed by the Association would unsettle the other relationships. Furthermore, the City introduced an award by arbitrator Frank P. Zeidler in a dispute involving the fire fighter unit in 1975 that was based on the theory that the disparity between police and fire fighter wages needed to be reduced. The City argues that to adopt the Association's proposal now would tend to undo the effects of the Zeidler award.

In commenting on the Association's comparisons with other Fox River Valley cities, the City points out that the police force in Fond du Lac have a better longevity policy than any of the other cities with which the Association would compare Fond du Lac. This policy provides annual increments of \$300 after five years, \$600 after ten years, and \$900 after fifteen years of service. (Neither party introduced figures to show how this policy compared with longevity policies in the other cities. Although the Association did not deny that the Fond du Lac policy was more liberal than any of the others, it was asserted by the Association that it had not been changed in recent years and thus, at least by implication, the gap between longevity payments by Fond du Lac and the other cities was being reduced.)

The City would de-emphasize the importance of cost of living changes as rationale for a wage increase. Although the Consumer Price Index moved up rapidly in 1974, the increase of 7 per cent in 1975 was more modest, and since then there has been a further decline, with the annual increase from March, 1975 to March, 1976 being 6.1 per cent. The City also points out that the unemployment rate in the City of Fond du Lac has been somewhat higher than the unemployment level in the State of Wisconsin and about the same as the national average, that the police department has had no difficulty in recruiting, and that no policeman has ever been laid off in the entire history of the department.

The City's second principal support for its position on its final offer goes to the City's financial situation. The City made a major reassessment of property in Fond du Lac during 1975. The result was to shift a large share of the tax burden from certain other classes of property to the residential class. This resulted in an average tax increase for homeowners in the City of twenty-five per cent. Consequently, the budget for 1976 was designed to economize as much as possible in order to ease the burden and avoid any further impact of the reassessment action. The City's settlements with the other labor units have taken that factor into account. The City also pointed out that its overtime obligation to police officers had increased during the past few months because of a long strike by Giddings and Lewis Company employees which has required extra police action.

OPINION

The Association has marshalled some impressive figures in its comparisons of rates and the level of settlements with the other Fox River Valley cities and settlements in the private sector within the Fond du Lac community. It has also demonstrated with some other figures that the police force is handling more work. Although the City minimizes the importance of the figures and suggests that the figures do not demonstrate that the policemen are working harder, it nevertheless gives support to the idea that the police force in Fond du Lac is a hardworking and deserving group of individuals.

If the set of facts before me had been provided at an earlier date, I think that this dispute would have been more difficult to decide. In the absence of any detailed information about how well the Fond du Lac longevity payments redress the gap that may be developing between Fond du Lac Police Department salaries and those in the other

I reach this decision reluctantly, for I do not believe that the Association's final offer is unreasonable when it is compared with the settlements and the level of rates in what should be the appropriate cities with which this city should be compared. But I believe that in the circumstances described here, the City's financial situation and the apparent recognition of it by the other unions, as indicated by the earlier settlements, must have an overbearing importance in making my determination.

I am not unmindful of the evidence tending to show that settlements in the private sector in Fond du Lac have been substantially higher than the City's offer both in manufacturing and building construction. I need to make two comments on these data: (1) In the case of the 39 cent in hourly earnings for production workers, this is at least partly accounted for by an increase of 4.2 hours (to 42.3 hours) in the length of the average work week. This implies an increase in overtime premium and does not necessarily mean that settlements have averaged 39 cents. (2) Building trades workers' rates in the area are not particularly useful as a standard of comparison for policemen's rates. Employment in building construction is unstable and unemployment has been high. Policemen's rates are lower, but the jobs have the security of continued employment. Thus while production worker earnings and building construction worker settlements and rates are generally useful as indicators of direction of movement, I do not believe that they can be used with any precision as a basis for comparison in this dispute.

In consideration of all the circumstances described above, I make the following

AWARD

The City's final offer is adopted.

Dated: June 29, 1976

Signed: David B. Johnson /s/

David B. Johnson, Neutral
Arbitrator appointed from
WERC panel.