

BEFORE THE ARBITRATOR

Appointed By

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

In the Matter of Binding Arbitration Between	:	
TOMAH POLICE DEPARTMENT, LOCAL 1947-C, WCCME, AFSCME, AFL-CIO	:	ARBITRATION AWARD
and	:	WERC Case XIII
CITY OF TOMAH, WISCONSIN	:	No. 20144 MIA-225
	:	Decision No. 14428-A

APPEARANCES:

Mr. Walter J. Klopp, District
Representative, for the Union

Mr. Edward S. Staats, Personnel
Director, for the City

BACKGROUND

The above entitled matter came on for hearing before the undersigned arbitrator pursuant to Section 111.77(4)(b) of the Wisconsin Statutes. A hearing was held at the City of Tomah on May 6, 1976. The parties were present and presented such testimony and evidence as they deemed pertinent. Post-hearing briefs were exchanged through the arbitrator on June 7, 1976.

FINAL OFFERS

Union Proposal - 8% across-the-board wage increase effective January 1, 1976
City Proposal - 25¢ per hour across-the-board increase effective January 1, 1976 (Equivalent to 5.5%)

DISCUSSION

The Union's exhibit #2 contained a listing of 31 Wisconsin municipalities with a population ranging from a low of 4,139 to a high of 7,931 and which contained the monthly police officer rate, which data was obtained from the Municipal Police Department Publication by the State Bureau of Personnel, 1975. Pursuant to such exhibit, the average monthly rate payable to police officers under such survey revealed an amount of \$887.00 compared to the 1975 rate paid in Tomah of \$774.00. The Union contends that the difference of \$113.00 per month less that is payable to the Tomah police officers is too great a disparity to be reasonable. They contend that the City offer of 5.5% would enlarge such disparity.

The City contends that the Union exhibit constitutes an unfair comparison inasmuch as it includes a number of municipalities in the Eastern and Southeastern part of the State. They contend that the general economic conditions that prevail in the Southwestern portion of Wisconsin is substantially lower than the level of economic conditions that prevails in other areas of the State. The City presented an exhibit which made comparison to those municipal police departments of relatively comparable size that were within an approximate 80 mile radius of Tomah. Of the nine police departments listed on the City's exhibit, the average monthly payment to police officers was \$4.61 per hour compared to the present hourly rate of \$4.71 per hour presently paid to the Tomah police officers.

The City also computed the remaining 15 cities that were included on Union Exhibit 2 after removing all cities that were located in the Southeastern part of Wisconsin, the Fox River Valley area, and two cities in the Eau Claire Twin City area. On the basis of the City's recomputation of the remaining 15 cities, they concluded that the average monthly pay to police officers for those cities would be \$35.20 per

month over the present Tomah police officers' wage. They contend, however, that a number of such surveyed municipalities require officers to work a greater number of hours for the same monthly salary than does Tomah, who is on a 40 hour work week. It is their position that when such additional hours are taken into consideration, that the Tomah police officer pay is practically equivalent to the average paid by the remaining 15 cities.

The Union presented a number of exhibits and made considerable argument concerning the impact of the large V. A. Mental Hospital, Fort McCoy and Volk Field on the Tomah Police Department. They contend that the presence of those three facilities imposes a substantial additional burden on the employees of the Tomah Police Department that are unique and that is not faced by most other cities of equal size.

The City points out that the influx of military personnel at Fort McCoy is spread over the summer months and that a large number of such personnel do not go to Tomah, but go to LaCrosse, Mauston, Sparta and other places in Monroe County. They contend that the level of pay to police officers in Tomah compares favorably to that paid police officers in Mauston, Sparta, and other places in Monroe County where such reserves add their presence. In addition, the City points out that Fort McCoy maintains its own military police and that the military police cooperate with the Tomah Police Department in any matter that involves law breaking incidents by such military personnel. The City also points out that the instances of problems arising concerning patients from the Veterans Administration Hospital are exceptions to the rule. They contend that while the V. A. Hospital's presence places some additional work on the Police Department, the fact remains that the City benefits in tax dollars from the V. A. Hospital presence and operation in the City.

The Union also contends that the cost-of-living increase in 1975 was 7.3%. They contend that the employees have failed to receive increases in past years that were equivalent to the cost-of-living increase occurring in such past years. They also point out that the City's proposed increase of 5.5% is 1.8% less than the cost-of-living increase for 1975. They point out that the City's offer would constitute a reduction in the employees spendable income of 1.8% whereas the Union's proposal of 8% would allow but a modest catch-up of .7 of 1%. The City responds to the Union's argument by pointing to the actual cost to the City which the increased benefits and cost of such benefits, along with the wage increase amounts to. At the time of the hearing, the insurance bids were not yet received. The City had anticipated an increase of insurance premiums to \$90.17 for Family coverage. The 1975 cost of Family coverage had been \$60.17. Subsequent to the hearing, the arbitrator has been advised that the insurance bids have returned and that the premium payable for Family coverage on the policies selected and effective for 1976 is in the sum of \$78.00. In the City's computation of the total percentage increase including roll-up cost to retirement, longevity and social security, the City had employed a 3.8% increase attributable to the increased premium on health insurance on the basis that they anticipated a rate of \$90.17. The arbitrator in recomputing the actual cost of the insurance as finally adopted, shows an increased cost on health insurance of 2.6%.

Using the City's exhibit which was received into evidence and marked Exhibit #15, and by using the recomputed value on health insurance of 2.6%, one finds the following evaluation of the City and Union final offer:

"ITEM	CITY POSITION	UNION POSITION
Wage	5.5%	8.0%
Retirement	2.1%	2.9%
Health Ins.	2.6%	2.6%
Longevity	.6%	.6%
Social Security	.3%	.5%
Tot. % Increase	11.1%	14.6%"

The Union contends that every employer is faced with "roll-ups" and fringe benefits costs and that the more meaningful factor to consider is the difference in the actual wages paid to officers at Tomah compared to the wages paid to other comparable police departments as contained in their exhibit #2.

The City, on the other hand, contends that roll-up costs and fringe benefits are a cost factor to the City and that they clearly constitute a benefit to the employees. If the City did not pay the fringe benefits, the employees would be required to pay them on behalf of themselves out of wages earned.

The arbitrator is of the judgment that in the first instance, the most meaningful comparison is that which is made to comparable communities in the immediately adjacent area. In that respect, the City's exhibits are the most meaningful. The arbitrator recognizes the City's argument with respect to Union Exhibit #2 to the effect that a number of the cities listed in such exhibit include cities in the Southeastern and Eastern section of Wisconsin, which are in a substantially different economic area. It may be that the difference between the level of pay in the Southwestern and Western area of Wisconsin for police officers is disproportionate to the level of pay for officers in the Southeastern and Eastern part of Wisconsin. The Union contends that the \$113.00 per month differential is disproportionate. The arbitrator is unable to make a meaningful analysis of such argument on the basis of the record in this case. It would seem that in order to make a determination on such contention, it would be necessary to engage in a detailed analysis of the tax base of each area, compare the relative ability to pay as reflected by such tax base, and to collate such data with a broad survey of average wages paid in both government and non-government employment in the two areas for the purpose of determining the relationship and difference in levels of pay.

For purposes of illustration, the arbitrator has referred to the Wisconsin Labor Force Publication of July 15, 1976, issued by the Department of Industry, Labor and Human Relations which contains data showing average weekly earnings of employees in selected Wisconsin areas in June of 1976. If one takes the average weekly earnings of employees in the listed Southeastern and Eastern areas shown, and compares the average to that shown in the La Crosse County area which is the only listed area in the Tomah vicinity, one finds that the La Crosse area is 11.4% below that of the average of all Southeastern and Eastern areas of Wisconsin. Applying the same formula to the data shown on Union Exhibit #2, the average thereon being shown as \$887.00 per month compared to the rate in Tomah of \$774.00 per month, one finds that the Tomah rate is 11.5% lower than the average shown on such exhibit. On the basis of such illustration, it would appear that the City's contention that the Tomah area is in fact a substantially lower wage area in general than the Southeastern and Eastern areas of Wisconsin, is true. On the basis of such illustration, it would therefore appear that the more meaningful comparison in this case would be to those other city police departments that are located in the Tomah area.

In analyzing the City's exhibit detailing the wages and benefits payable to police officers in approximately nine adjacent areas, one finds that the average rate that would be payable to police officers under the City's 5.5% offer would place Tomah police officers 10¢ per hour above the average paid to police officers in the other nine adjacent areas.

An examination of City's Exhibit #13 also reveals that under the new medical insurance plan wherein the City will contribute \$78.00 per month for employees covered by the Family plan, that the City of Tomah will be contributing approximately 1.8% more toward insurance on behalf of employees than is contributed by the average of the other nine comparables.

In further analysis of City's Exhibit #13, it appears that Tomah is better than all but one of the comparables with respect to night differential. As to uniform allowance, such survey would indicate that Tomah is better than six of the comparables and is not as good as three. On holidays, Tomah is better than all nine comparables. With respect to vacation, such survey indicates that Tomah is better than all, with a possible arguable exception of one. Lastly, with respect to longevity, such survey would indicate that Tomah is better than most of the nine comparables. It is not possible to evaluate the actual differences in cents per hour or percentage.

In the judgment of the arbitrator, the increased contribution required of the City toward payment of medical insurance premiums constitutes a direct monetary benefit to the employees. For the purposes of evaluating the two positions, the undersigned will not give consideration to the other roll-up costs inasmuch as such roll-up costs are faced by all other employers. It will only be considered in conjunction with the total package cost to the City as it relates to their budgetary process and the levy limitation which was imposed upon them for that budget year. When one views the direct improvement to the employees involving wages and health insurance, one finds that the total of such improvement is 8.1% under the City proposal. Such improvement does meet the cost-of-living increase for 1975. While it does not give the employees any realizable net wage increase, one must recognize that a portion of such increased cost-of-living takes into consideration the increase in medical costs in arriving at the end cost-of-living percentage increase. It therefore seems appropriate that the increased benefit involving the additional payment for medical coverage that is paid

for by the City should be added to the increase on wages so as to afford a quid pro quo comparison.

The undersigned does not regard the proposal of either party as being unreasonable. The Union has made persuasive arguments substantiating the fact that their offer is the most reasonable. Their arguments, for the most part, are reasonable and meaningful. I find, however, that the point of comparison referenced by the Union is not as meaningful as that advanced by the City. If one accepts the proposition advanced by the City, which the above discussion would indicate as meaningful, of the existence of a substantial differential existing in the Tomah area as compared to the Southeastern and Eastern area of Wisconsin, one must accept such differential as meaningful for purposes of carry over to municipal employees in the respective areas also. As revealed by the illustration, it would appear that such differential is approximately the same in both the private and public sector. As such, it would therefore seem more appropriate to make a comparison between Tomah and the immediately adjacent areas.

Such comparison then reveals that under the City's proposed offer, Tomah police officers would still be approximately 2.2% above their comparable counterparts in wages, would be approximately 1.8% above their counterparts with respect to contribution toward insurance coverage, and would be better than their counterparts in most of the other recited fringe benefit areas.

Once having arrived at the above conclusions, the arbitrator is of the judgment that no compelling reasons exist for granting an increase over that provided in the proposed budget, thereby placing on the City the difficult obligation of making internal adjustments so as to stay within such budget. The fact of a levy limitation having been placed on public employers is a known and real fact. All public employers, as argued by the City, faced the problem of a levy limitation. Their evidence and testimony indicated that they were required to make internal adjustments in their budget of approximately \$78,000.00, reduce their mill rate increase 1.75 and that the end result was that their budget was within \$50.00 of the levy limit. On the basis of the above reasoning and analysis of the respective proposals and relative position in which each proposal would place the subject employees, the arbitrator is of the judgment that in the final analysis, deference must be given to the levy limitation and the City's professed position of being in a current financial bind, despite their action in determining the budget in an approximate sum of \$78,000.00.

On the basis of the above facts and discussion thereon, it therefore follows that the undersigned renders the following decision and

AWARD

That the City's final offer be awarded and that it be incorporated into and made a part of the labor agreement for calendar year 1976.

Dated at Madison, Wisconsin, this 13th day of August, 1976.

Robert J. Mueller /s/
ROBERT J. MUELLER