

STATE OF WISCONSIN

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BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

AUG 2 1976

In the Matter of the Petition of

LOCAL 423, INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, AFL-CIO

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

For Final and Binding Arbitration
Involving Firefighting Personnel
in the Employ of

Case XVIII
No. 20204 MIA-228
Decision No. 14541-A

CITY OF TWO RIVERS (FIRE DEPARTMENT)

HEARING. A hearing on the above entitled matter was held on June 2, 1976, at the City Hall, Two Rivers, Wisconsin.

APPEARANCES.

For the Union:

EDWARD DURKIN, District Vice President, International
Association of Fire Fighters, 5606 Middleton Road,
Madison, WI 53705

For the City:

MICHAEL ROSHAR, Mulcahy & Wherry, Attorneys at Law,
811 East Wisconsin Ave., Milwaukee, WI 53202

BACKGROUND. Local 423, International Association of Fire Fighters, AFL-CIO, representing personnel in the Fire Department of the City of Two Rivers, Wisconsin, filed a petition with the Wisconsin Employment Relations Commission on February 23, 1976 and requested that Commission to initiate final and binding arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act, with regard to an impasse existing between the Fire Department personnel and the City of Two Rivers. After investigation the Commission concluded that an impasse within the meaning of the Section existed, certified that conditions precedent to the initiation of such arbitration were met and ordered final and binding arbitration on April 15, 1976. The parties then selected Frank P. Zeidler, Milwaukee, as the arbitrator, and he was appointed on April 27, 1976.

According to the Brief of the Employer, among the arrangements made in the discussion on reopening the agreement was the payment of a premium of fifteen dollars per month for the position of emergency medical technician. The city also agreed to an increase of 5% in the City's contribution to the hospital-surgical plan bringing the total contribution of the city to 95% of the full premium. There was also an agreement for the city to provide an educational incentive program providing a premium of \$1.00 per credit per month to a maximum of 15 credits. There was to be no change in holiday benefits.

The Department involved has a bargaining unit composed of three lieutenants and fifteen positions of Fire Fighter, of which one is left unfilled. Five Fire Fighters are on each shift normally. The Department has one headquarters.

Fire Fighters and Lieutenants have a system of increments, or salary steps, Steps A., B., C., and D. The first is the starting rate, the next is the rate after six months, the next is the rate after one year and the last is the rate after two years.

FINAL OFFERS. The Union submitted a final offer on May 18, 1976. It asked for an 8% across the board wage increase, effective January 1, 1976 for all members of Local 423.

The City offer was expressed in a letter of April 23, 1976 to the Wisconsin Employment Relations Commission. The City offer was thus,

"1. Wages - an increase of 7% to the base wage with every step on the salary schedule.

"2. No change in the holiday benefits currently in effect under the existing agreement."

In effect this is a one issue case.

GUIDELINES. Section 111.77(6) of the Wisconsin statutes has this to say about factors to which an arbitrator shall give weight in reaching a decision:

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 the employes involved in the arbitration proceeding with the wages, hours and conditions of employment of other employes performing similar services and with other employes 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 the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, factfinding, arbitration or otherwise between the parties, in the public service or in private employment.

The proposals of the parties will now be discussed under the appropriate headings set forth in the guidelines.

A. THE LAWFUL AUTHORITY OF THE EMPLOYER.

There is no question here about the lawful authority of the employer either to grant or deny the offers as proposed.

B. STIPULATIONS OF THE PARTIES.

There are no major stipulations of the parties to report, other than they agreed to have each other put in such exhibits as they wished subject to challenge in the Briefs.

C. THE INTERESTS AND WELFARE OF THE PUBLIC AND THE FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT TO MEET THE COSTS.

Union's Position. The Union states that it is in the best interest of the City to keep the small group of men hired to do Fire and Ambulance work in high morale and good dedication. The Union states that the City's trend to downgrade the Fire Fighters in relation to the Police Service can only put a damper on the Fire Fighters' self-esteem and esprit de corps. The Union states that the merit of its offer and the admitted ability of the City to pay weighs strongly for the Union.

The Union in Exhibit VIII B showed a chart which indicated that the city was not making the effort to keep the revenues up in proportion to the increase in equalized value. It stated that in 1973 the equalized full value of the city was \$121,693,500 and it assessed at the rate of 79.53% of this value or \$96,788,630. In 1975 its equalized full value was \$145,339,400 but its total assessment was \$97,532,740 which was only 67.11% of the full value.

City's Position. The City is not arguing ability to pay, but asks that the fact that the citizens are highly taxed be considered. In City Exhibit 19 the city listed seven communities: Marinette, Two Rivers, Manitowoc, Menasha, Kaukauna, Fond du Lac and De Pere. The Two Rivers rate of \$27.24 for \$1000 is second highest, and this rate is among the top third in the state. The City states that Union Exhibits 23 A and 23 B, are exhibits of articles about the tax burden on the middle class, and support the City's position rather than the Union position.

D. COMPARISON OF WAGES, HOURS AND CONDITIONS OF EMPLOYMENT IN SIMILAR PUBLIC EMPLOYMENT IN COMPARABLE COMMUNITIES

The parties presented a number of exhibits relating to the comparison of wages, hours, and conditions of employment (fringes are being considered separately) in communities they thought comparable. The parties, however, did not come together on what communities they thought comparable.

The Union in its Exhibit 11 presented a list of ten cities for comparison. These cities were Appleton, De Pere, Fond du Lac, Green Bay, Kaukauna, Manitowoc, Menasha, Neenah, Oshkosh, and Sheboygan. The average salaries and increases were listed, and the following table was developed from the exhibit by the arbitrator. The arbitrator has assumed the salaries reported on January 1, 1976 and July 1, 1976 as correct.

TABLE 1

COMPARISON, AVERAGE FIRE FIGHTERS SALARIES IN TEN SELECTED CITIES, EAST CENTRAL WISCONSIN, WITH TWO RIVERS OFFERS

City	1975	1976		Mo. Aver. Inc.	Mo. Rate Inc.
		Jan. 1	Jul. 1		
Appleton	997.00	1082.00	1082.00	85.00	85.00
De Pere	918.00	974.00	974.00	56.00	56.00
Fond du Lac	955.79	985.79	1005.79	40.00	50.00
Green Bay	979.50	1034.00	1034.00	54.50	54.50
Kaukauna	809.89	882.72	935.75	99.38	125.86
Manitowoc	935.50	1003.50	1003.50	68.00	68.00
Menasha	905.00	975.00	975.00	70.00	70.00
Neenah	970.00	1055.00	1055.00	85.00	85.00
Oshkosh	941.28	995.45	1023.62	68.26	82.34
Sheboygan	918.66	978.37	978.37	59.71	59.71
AVERAGE	933.06	996.58	1006.70	68.58	72.64
<u>Two Rivers</u>					
Union					
Offer	859.56	928.32	928.32	68.76	68.76
Difference	-73.50	-68.26	-78.38	+0.18	-4.88
<u>City</u>					
Offer	859.56	919.73	919.73	60.17	60.17
Difference	-73.50	-76.85	-86.97	-8.41	-13.47

The City had a similar set of Exhibits, Employers' Exhibits 13 to 16 inclusive. From these exhibits the following table is derived.

TABLE II

FIRE FIGHTER MONTHLY COMPENSATION, SEVEN SELECTED CITIES, EAST CENTRAL WISCONSIN

City	1975			1976		
	Maximum Salary	Long. 6 Yrs.	Total	Maximum Salary	Long. 6 Yrs.	Total
Fond du Lac*	946.79	25.00	971.79	995.79	25.00	1,020.79
Manitowoc	935.00	10.00	945.00	1003.50	10.00	1,013.50
Menasha	905.00	5.00	910.00	975.00	5.00	980.00
De Pere	918.00	10.00	928.00	Not Settled		
Two Rivers	859.56	25.79	885.35			
Union Offer				928.32	27.85	956.17
City Offer				919.73	27.59	947.32

TABLE II continued

Marinette	782.16	46.93	829.09	856.47	51.38	907.85
Kaukauna*	809.83	8.33	818.16	896.52	8.33	904.85

*Maximum based on average salary.

A similar ranking for the position of Lieutenant was made by the City Exhibit 15, which shows that a Two Rivers Fire Lieutenant in 1975 ranked in terms of maximum salary and longevity 5th in six communities for which data was supplied. In 1976 a Lieutenant ranked fourth under either offer for five cities for which data was supplied.

The City in its Exhibit 4 presented information on the cost of the City's offer for the package, and in Exhibit 5 gave the cost for the Union's package. Matters relating to wages alone are abstracted here. Over all cost will be given later.

TABLE III
CITY AND UNION OFFERS, WAGE COSTS COMPARED

City Offer

Wages	\$13,018.10	
In-Step Increase (3 employees)	2,824.30	
EMT Wage Adjustments (\$15.00 x 12 mo x 6 employees)	<u>1,080.00</u>	
Total	16,922.40	
Per Cent Increase		9.1%

Union Offer

Wages	\$14,877.22	
In-Step Increase	2,850.69	
EMT Wage Adjustment (as above)	<u>1,080.00</u>	
Total	18,808.51	
Per Cent Increase		10.1%

City Exhibit 6 gives this comparison of City and Union offers for 1976:

TABLE IV
FIRE DEPARTMENT
COMPARISON OF 1976 CITY AND UNION OFFERS

	<u>City Offer</u>	<u>Union Offer</u>	<u>Difference</u>
Firefighter	\$11,036.75/yr. 919.73/mo.	\$11,139.90/yr. 928.32/mo.	\$103.15/yr. 8.60/mo.
Lieutenant	12,269.73/yr. 1,022.48/mo.	12,384.40/yr. 1,032.03/mo.	114.67/yr. 9.55/mo.

Union's Position. The Union states that the most important criteria used in arbitration are wages, hours, and conditions of employment. The Union states that record and the facts weigh 90% for the Union.

The Union states that the cities used for comparisons in its exhibits have been used for the past ten years. The Union states that the City dropped Sheboygan, Neenah, Appleton, Oshkosh, and Green Bay and added Marinette which is farther away from Two Rivers than Milwaukee's suburbs. The Union believes that Marinette, for reasons of distance and location, next to Memononee, Michigan, a competitor city, is not comparable to Two Rivers.

The Union says that the figures on Kaukauna given by the City are in error and the Union supplied a Kaukauna contract to support its contention.

The Union says that the larger cities must be considered because the cost of living is not based solely on local populations. Regions must be considered instead.

The Union says that there is a glaring omission in the City's list. Fire Fighters in Neenah get \$130 more than the City offers.

The Union states that if the city in its list had included Neenah and eliminated Marinette and put the correct figures in for Kaukauna, then Two Rivers would be at the bottom of the list \$70 below the average. The Union believes that the City has drifted too far below the average in other places.

The Union is also critical of the selection of the period of six years in the City's list for calculating longevity benefits. The Union states that within six years, a Two Rivers Fire Fighter has 75% of his top rate for longevity whereas in other cities, the longevity program is just getting started.

City's Position. The City states that it selected cities which were in the area, and cities which had similar characteristics to Two Rivers, such as being a small city near a larger city.

The City states that on the basis of its exhibits mentioned above, that the comparative position of the Two Rivers Fire Fighters were not diminished by the City's offer: in fact, for the rank of Fire Fighter in the seven cities shown in 1975 in the City's table, Two Rivers was fifth. In 1976 it will be fourth in six cities. For position of Lieutenant the positions remain the same. The comparative ranking also remains the same under the Union offer. Cities which pay more for Fire Fighters have historically been the larger cities.

The City objects to the inclusion of Appleton, Green Bay, Neenah, Oshkosh, and Sheboygan in the Union's list of cities. These cities are much larger.

The City objects also to having Two Rivers classified in the Fox Valley area. The City states that Two Rivers does not have an interrelated economy.

The City says that its offer of 7.0% was quite in line with percentage increases in other cities. Kaukauna's percentage increase of 12.3% was a "catch up" increase and yet its Fire Fighters will be paid less. The City noted the following percentage increases: Fond du Lac, 4.2%; Green Bay, 5.6%; Appleton 8.5%; Neenah, 8.8%; De Pere, 6.1%; Sheboygan, 6.5%; Manitowoc, 7.3%; Oshkosh, 7.3%. The Union settlement would make the Union's offer the third highest.

E. COMPARISON OF WAGES WITH PUBLIC EMPLOYEES IN THE SAME GOVERNMENT: POLICE AND FIRE FIGHTERS

Union's Position. The Union supplied Union Exhibit 20 which was a table of monthly comparison of salaries for Fire Fighters and Police. This exhibit showed that in 1970 Police and Fire Fighters received the same monthly salary of \$636.51 per month. In 1975, the Fire Fighters were receiving \$859.56 per month and the Police \$906.04 per month. This meant a monthly difference of \$46.48 and an annual difference of \$557.76 in favor of police.

Union Exhibit 21 was an hourly rate comparison of Fire Fighters and the Police Department from 1970 to 1975. During this time the hours per week of the Fire Fighters stayed at 56. The hourly rate went from \$2.62 to \$3.54. The Police worked 40 hours per week in 1970 and 37½ hours in 1975, and this hourly rate was \$5.58. In 1975 the Police, according to this chart, were making \$2.04 more per hour than the Fire Fighters.

The Union notes these disparities and states that the City and Police will not settle on an agreement between themselves, until the Fire Fighters have settled. This results in the police getting higher wages and a widening disparity.

The Union says the City will argue that there was a big jump last year for Fire Fighters in that Fire Fighters got a 2% pension "catch up" toward having their full pensions paid. If the City also given 2% to the Police, this was faulty judgment on the part of the City for the Police already had full pension payment.

The Union points to the Police pension of 6% and the Social Security payments of 5.8%. The Fire Fighter cost of pension benefits is 21.8% as compared to the 19.8% pension cost and 5.85% social security for Police.

The Union also takes issue with the claim of the City that the City broke parity between Fire Fighters and Police in 1970 by giving the Fire Fighters a 56 hour week. The Union says that 56 hours was standard in 1965 and the Fire Fighters worked 7 extra hours per week for 5 years. Now the Police have a 37½ hour work week and the Fire Fighters have a 56 hour work week.

The Union says that the City and the Police have not tried to settle and that the disparity continues after the Fire Fighters settle. The Fire Fighters who provide fire fighting services and emergency medical services should have a pay scale in line with the police.

In the matter of comparative payments for the Fire Fighters and Police with respect to their retirement funds or pensions, the City states that the operating costs for retirement for Fire Fighters in 1976, will be \$41,007.22 and for Police it will be \$45,660.01.

The City states that the additional cost for this pension for Police this year under the City's offer will be \$4,066.23. For Fire Fighters it states its costs will be the sum of the two amounts, \$3,753.93, which is a roll-up cost on other amounts paid, and also a sum of \$1,765.86 which is the additional 0.9% which it agreed to accept this year. It states that the combined costs under the Union offer will be \$4,181.66 and \$1,765.86. The Union asked whether this was not including the 0.9% twice.

City's Position. The City supplied Employer Exhibit 8 which showed that it was offering a 7% increase to the Police in basic wages and a total increase when In-Step increases are considered, the increase is 8.6%.

The City states that this cost of 8.6% is an offer less than the City is offering the Fire Fighters.

The City disputes the inference drawn from the Union Exhibits 20 and 21 which compare Two Rivers Firemen and Policemen. It challenges the significance of hourly comparisons, stating that monthly comparisons are more significant. It states that in 1971 police received 10 cents more per hour when the Fire Fighters received a cut in work week from 63 hours to 56 hours. Also the exhibits do not take into account that the City pays a higher contribution to the Wisconsin Retirement Fund for Fire Fighters than for Police, and because of this the City and the Fire Fighters agreed in past years to the City's paying this additional amount instead of including it in the salary schedule.

The City also says that the Fire Fighters receive more time off than do police. The City states that in 1976 a Police Officer will work 1947 hours and will receive 237 hours (29 days) off, or 11.9% of his or her scheduled hours. A Fire Fighter in 1976 with 15 years of service will work 2,912 hours with 444 hours off (9½ vacation days and 9 holidays). This is 15.2% of the scheduled hours.

The City states that the Union exhibits and comments on a delay in settlement with the Police has no value in this procedure.

F. COMPARISONS OF FIRE FIGHTERS WITH OTHER UNITS IN LOCAL GOVERNMENT

Union Position. The Union submitted Union Exhibit 9 which was a comparison of changes in Department Budgets between 1971 and 1976, for eight agencies of the City. The chart also stated percentage increases. The chart was corrected for the Fire Department in the hearing.

With this correction, the Fire Department appeared to have the lowest increase at 49%, compared to the next lowest agency, City Government, which is at 53.6%; and to the Police at 67.8%, and the Public Works Department at 124.4%.

The Union supplied another Chart, Exhibit 10, which listed salary increases for people in these departments. In this chart, the Fire Department was sixth out of eight City agencies.

The Union also in Exhibit 13 supplied an article from the February 14 issue of the Manitowoc - Two Rivers Herald Times.

City Position. The City in its Exhibit 1 listed settlements with three other groups of City employees. This table is useful for comparison.

TABLE V
PERCENTAGE INCREASE OF SETTLEMENTS WITHIN CITY GOVERNMENT

<u>Employee Group</u>	<u>Wage Increase</u>	<u>Total Increase</u>
1. Local 76, AFSCME, AFL-CIO	7.2%	8.7%
2. Local 76A, AFSCME, AFL-CIO (City Offer to Police)	7.0%	
3. Non-Union Personnel	6.9%	
4. Local 423, IAFF (City Offer)	7.0%	10.7%

the City in Employers Exhibits 3, 7, and 9 supplied information in budgeting comparisons between departments. These are abstracted into this table:

TABLE VI
OPERATING COSTS OF SELECTED DEPARTMENTS, 1975

<u>Unit</u>	<u>Total Cost</u>	<u>Salary</u>	<u>Overtime</u>	<u>Longevity</u>	<u>Shift Diff.</u>
Fire	\$248,715.90	\$185,972.80	\$2,502.45	\$4,756.00	
Police	306,481.17	216,970.74	12,498.20	4,101.00	\$3,120.00
Public Works	672,782.00	517,783.00	35,905.00	11,799.00	1,387.00

The City states that its data shows that the 7% offered by the City is more reasonable than that of the Union compared to the wage increases gained by other employees of the City for 1976. The City's offer is about what the Public Works employees received and more than what the unrepresented employees received, and is identical to what the Police are being offered.

The City disputes the Union Exhibit 9 which shows budget expenditures for various departments of the City. The City states that these departmental budgets are composed of many different items not related to personnel costs, and this exhibit should be given no weight at all.

G. COMPARISONS WITH EMPLOYEES IN THE PRIVATE SECTOR

Union Position. The Union supplied Exhibit 14A which was a line graph of average wages rates in the building trades. This graph showed that wages in January, 1975, were about 8.5%, and wages and fringes were about 9.5%. In 1976, January, they were 8% and 9% respectively.

Its Exhibit 14B showed that nationally building tradesmen (to whom Fire Fighters can justly be compared, according to the Union) had an average hourly rate in January, 1976 of \$9.02 per hour and \$10.79 for wages and benefits. It showed that rates in Madison and Milwaukee for Bricklayers, Carpenters, Electricians and Plumbers were in the \$9 and \$10 an hour range.

The Union cites a news release from the U.S. Department of Labor for April 23, 1976. This article said that wage settlements for the first year in 1976 were 8.8%.

The Union supplied Union Exhibit 16 which showed hourly rates for the Appleton-Oshkosh area and Green Bay area for production workers. In February 1976, these rates were \$5.20 and \$5.51 per hour respectively. The earnings were \$214.50 and \$231.94 per month.

The Union also abstracted this chart from the table, showing increases for 1975-1976:

TABLE VII
AVERAGE WEEKLY EARNINGS INCREASES IN SELECTED AREAS COMPARED WITH TWO RIVERS OFFERS

<u>City</u>	<u>Dollar Increase Biweekly</u>	<u>Percentage Increase</u>
Appleton	\$44.33	8.1
Oshkosh	44.33	8.1
Green Bay	51.13	9.3
Two Rivers		
Union Offer	31.74	8.0
City Offer	27.77	7.0

Union Exhibit 17 was an exhibit of "Fox Valley Area Indicators" for Appleton, Fond du Lac, Neenah, Menasha, and Oshkosh. This exhibit showed that between 1974 and 1975 wages changed 9.5% upward. Union Exhibit 18A was a "Community Profile" of Manitowoc City and County, produced by the Department of Business Development of the State of Wisconsin. The data appears to have been collected about 1972.

The Union says that it is quite difficult to make comparisons between the public and private sectors in this area. The Union notes that the City did not submit any data on this subject.

The Union does call attention to the rates for the building trades, saying that in this sector rates are within 10% of each other because of mobility of jobs. The Union says that the exhibit shows that a tradesman has to work only half as many hours to get the same pay as a Fire Fighter, and the unemployment checks of tradesmen almost equal the pay of a Two Rivers Fire Fighter.

The Union notes that its data for the Two Rivers areas would be much more valid if a date could be attributed to some of it, but it feels that what it has furnished does lean toward the Union's position.

City's Position. The City offered Employer's Exhibit 18, which was a graph of the increase in Fire Department wages from December 1971 to December, 1975, comparing this increase to increases in manufacturing earnings and the cost of living in Manitowoc.

This chart reduces to this conclusion:

Percentage increase in Cost of Living	31.4%
Percentage increase in Fire Department Wages	27.6%
Percentage increase in Manufacturing earnings	25.4%

The City developed its data from reports of the Wisconsin Department of Industry, Labor and Human Relations. It calculated the increases for Fire Fighters by including the Employer's cost of picking up the employee's share of the payment to the Wisconsin Retirement Fund. The results are thus, that the increase in Fire Fighter's compensation was 2.2% more than the increase in the private sector. The City concludes that the Fire Fighters stayed ahead of workers in manufacturing.

The City challenges Union exhibits on the building trades, saying that they include data from all over the U.S. instead of from comparable communities. Further the Wisconsin data is from Milwaukee and Madison which are not comparable to Two Rivers. Also building trades work is only part time.

The City also challenges Union Exhibit 15 which states that first quarter settlement in 1976 averaged 8.8%. It supplied an exhibit, Appendix B, which is a news article from the Manitowoc Herald Tribune of June 19, 1976 which states that wage settlements are at 7%.

The City also objects to the Union comparison of wage increases in the Fox Valley cities on the ground that the exhibit is unclear as to meaning, and also the cities are not comparable to Two Rivers. This is also true of other exhibits of the Union; they are concerned with situations that are also not comparable.

H. COST OF LIVING.

Union's Position. The Union introduced two exhibits on the subject of the Consumers Price Index which is said to reflect the cost of living. In Union Exhibit 24 the Union had a table of changes in salary, and the consumer price index with calculations of real spendable earnings. The following is abstracted from this exhibit.

TABLE VIII

FIRE FIGHTERS' SALARY IN SELECTED YEARS, CONSUMER PRICE INDEX
PERCENT CHANGE FROM PREVIOUS YEAR AND REAL SPENDABLE EARNINGS

Year	Monthly Salary	Consumer Price Index	Percent Change from Previous Year	Real Spendable Earnings
1967	538	100.0	2.9	538
1973	758	133.1	6.2	569
1975	860	161.2	9.1	533
Total % Increase	59.8%	61.2%	52.3% cumulative yearly changes	\$36 below 1973

The Union says that these exhibits show that the Union members have not kept up with the cost of living for the past 10 years and that the earning power has declined since 1973.

The Union says the Employer Exhibit 18 proves that the Fire Fighters have not caught up with the cost of living, even though the City's contribution to pensions have been increased.

The Union Exhibit 27, a release by the Bureau of Labor Statistics, U.S. Department of Labor, shows that real earnings in Milwaukee in February, 1976, increased 4.1%, and nationally the increase was 6.5%. The Union says its offer is about \$500 below a modest budget.

City's Position. The City supplied Employer's Exhibit 17 which was a table of increases of the cost of living in 1975 and 1976. From this list is derived information on increase for comparable months of 1974 and 1975, and 1976. This information is listed here:

TABLE IX
PERCENT CHANGES IN THE CONSUMER PRICE INDEX
FOR COMPARABLE MONTHS IN 1974, 1975, and 1976

<u>Period</u>	<u>CPI % Increase</u>
12/74 to 12/75	7.01
1/75 to 1/76	6.79
2/75 to 2/76	6.50
3/75 to 3/76	6.15
4/75 to 4/76	6.05

The City also supplied a graph which showed that the CPI increase of 31.4% from 1971 to December 1975, coincided with an increase of 27.6% in Fire Fighters' wages.

The City notes that from the data it offered, the CPI index is going down, and is below the offer in real salary of 7.0%, wages increase of 9.1% and overall increase in compensation of 11.1% offered by the City. The Union is proposing an 8.0% increase for salary, 10.1% for all wages, and 12.0% for the total package.

The City objects to the Union's case of annual average increases in the CPI, instead of calculating costs during the life of the agreement. This the City states is not statistically sound. The City also says that the annual average increases when taken cumulatively do not reflect the true increase in the CPI. The City objects to Union Exhibits 24 and 25 on real spendable earnings. The City says that the Union took the annual average increases, whereas the City took the actual increases in the cost of living from 1971 to 1975 which confirm that Union members will remain ahead of the cost of living.

The City also says that the Union exhibits on real spendable earnings fail to take into consideration that the Fire Fighters received substantial benefits in the employer's contribution to the retirement fund on behalf of the employees.

The City also objects to comparing the family budget of a family in Two Rivers with one in Green Bay, pointing out that differences in City size.

The City also is critical of the Union Exhibits No. 23A and 23B which are articles on the growing tax burden. This tax burden affects all citizens, not just the Two Rivers Fire Fighters. Also the article points out the reason for the growing tax burden is the result of the cost of providing governmental services.

The City argues that in its exhibit 18, it states that the cost of living rose 31.4%, but Union wages and payments for the Wisconsin Retirement Fund increased 27.6%, which did not include the total cost of other fringe benefits. At this rate of increase, the Fire Fighters gained on employees in the private sector.

I. FRINGE BENEFITS.

Union's Position. The Union supplied its Exhibit 12, which was a table of 1976 wages and fringes for its list of selected cities. The Union listed the benefits in each type of fringe, averaged them and compared this average with the Union offer and City offer. Total wages and fringes were also given. The following table is an abstraction of this table:

TABLE X

COMPARISON OF AVERAGE WAGES AND FRINGE BENEFITS
OF SELECTED CITIES WITH THE TWO RIVERS OFFERS.

<u>Item</u>	<u>10 City Average</u>	<u>Union Offer</u>	<u>Diff.</u>	<u>City Offer</u>	<u>Diff.</u>
Monthly Salary	\$1001.16	\$928.32	-72.84	\$919.73	-81.43
Health Insurance Paid	77.43	62.21	-15.22	62.21	-15.22
Pension	78.80	74.27	- 4.53	73.58	- 5.22
Vacation (15 Yr FF)	88.42	72.68	-15.74	72.01	-16.41
Longevity (15 Yr FF)	30.56	27.85	- 2.71	27.59	- 2.97
Dental	5.11	None	- 5.11	None	- 5.11
Holidays	61.30	68.86	7.56	68.22	6.92
Max. Education Cred.	9.67	15.00	6.33	15.00	6.33
Total	\$1337.44	\$1249.19	-88.25	\$1238.34	-99.10

The Union states that on the basis of this information, the facts prove that Two Rivers' Fire Fighters fall even farther behind when all benefits received are taken into consideration. The Union says that Two Rivers Fire Fighters lose \$16 to \$18 in fringes alone as compared to other Fire Fighters.

City's Position. The City states that when the City offer to the Fire Fighters on wages and fringes is compared to other employees in the city, it will be seen that their offer is fair and equitable. The City says further that its offer when compared to other communities as to wages and fringes neither diminishes nor enhances the status of the Fire Fighters.

The City is critical of Union Exhibit 12. It asks the arbitrator to disregard this Exhibit for several reasons. It states that the Union did not correctly calculate pension benefits by calculating them on salary alone instead of longevity and educational benefits as well. It also states that it apparently costed the worth of lost productivity inaccurately by assuming that Fire Fighters in other cities are paid for 24 hours when they have holidays, whereas they are paid for 12 hours only. It states that in the case of the figure for Appleton, the Union figure was in error by \$40.43.

J. OVERALL COMPENSATION

The matter of overall compensation has been discussed earlier and also in foregoing Section I. Two tables are given here for information on city costs. The wage costs already have been given so they are as summarized.

(Refer to Revised Employer Exhibits 4 & 5 pages 11 & 12)

K. CHANGES IN CIRCUMSTANCES DURING PENDENCY OF ARBITRATION.

The City stated that the Consumer Price Index for May reflects an annual increase of 6.21% which was a slight increase over the April figure of 6.05%. The index was 169.2. The rise from December 1975 to May 1976 will project an inflation rate in 1976 if it continues.

L. OTHER FACTORS.

Under the subject of OTHER FACTORS, the Union stresses the increasing disparity between Fire Fighters and Police in Two Rivers.

The City stressed the importance of its sample of cities as being most comparable. This has been discussed.

DISCUSSION. An initial factor here is to determine which sample of cities offered by the parties is most comparable, or better still, which cities from both lists are most comparable. The following is a list of cities included by the parties with their 1975 populations:

<u>City</u>	<u>1975 Population</u>
Fond du Lac	36,546
Manitowoc	33,321
Menasha	14,997
De Pere	14,739

APPENDIX "A"

(REVISED EMPLOYER EXHIBIT NO. 4)

COSTING OF THE CITY'S OFFER

1976 ECONOMIC PACKAGE*

1. <u>Wages</u>			
	\$185,972.80 X .07	=	\$13,018.10
2. <u>In-Step Increases (Annual Amounts)</u>			
	Maruga: \$ 603.14		
	Kopetsky: 629.84		
	Miller: 795.66		
	Wilsmann: 795.64		
	\$2,824.30	=	2,824.30
3. <u>EMT Wage Adjustments</u>			
	\$15.00 X 12 months X 6 employees	=	<u>1,080.00</u>
	TOTAL INCREASE IN WAGES	=	\$16,922.40 (9.1%)
4. <u>Roll-ups</u>			
a. Overtime:	\$2,502.45 X .091	=	227.72
b. Holiday Premiums:	996.00 X .091	=	90.64
c. Sick Leave Pay-Out:	1,979.55 X .091	=	180.14
d. Longevity:	4,756.00 X .091	=	432.80
e. Retirement Fund:	17,853.70 X .218	=	3,892.11
	196,206.80 X .009	=	1,765.86
5. <u>Health Insurance</u>			
a. Premium increase:	\$65.48-46.00=\$19.48 X .90=\$17.53		
	\$17.53 X 12 mos. X 18 employees	=	3,786.48
b. Increased employer contribution:	\$19.48 X .05=\$.97		
	\$.97 X 12 mos. X 18 employees	=	<u>209.52</u>
	INCREASE IN TOTAL COMPENSATION	=	\$27,507.67 (11.1%)

*The cost of the new educational incentive program has not been estimated.

APPENDIX "A" (Continued)
 (REVISED EMPLOYER EXHIBIT NO. 5)

COSTING OF THE UNION'S OFFER

1976 ECONOMIC PACKAGE*

1.	<u>Wages</u>	
	\$185,972.80 X .08	= \$14,877.82
2.	<u>In-Step Increases (Annual Amount)</u>	
	Maruga: \$ 608.78	
	Kopetsky: 635.73	
	Miller: 803.09	
	Wilsmann: 803.09	
	\$2,850.69	= 2,850.69
3.	<u>EMT Wage Adjustments</u>	
	\$15.00 X 12 months X 6 employees	= <u>1,080.00</u>
	TOTAL INCREASE IN WAGES	= \$18,808.51 (10.1%)
4.	<u>Roll-ups</u>	
a.	Overtime: \$2,502.45 X .101	= 252.75
b.	Holiday Premiums: 996.00 X .101	= 100.60
c.	Sick Leave Pay-Out: 1,979.55 X .101	= 199.93
d.	Longevity: 4,756.00 X .101	= 480.36
e.	Retirement Fund: 19,842.15 X .218	= 4,325.59
	196,206.80 X .009	= 1,765.86
5.	<u>Health Insurance</u>	
a.	Premium increase: \$65.48-46.00=\$19.48 X .90=\$17.53 \$17.53 X 12 mos. X 18 employees	= 3,786.48
b.	Increased employer contribution: \$19.48 X .05 = \$.97 \$.97 X 12 mos. X 18 employees	= <u>209.52</u>
	INCREASE IN TOTAL COMPENSATION	= \$29,929.60 (12.0%)

*The cost of new educational incentive program has not been estimated.

Two Rivers	13,230
Marinette	12,309
Kaukauna	11,430
Appleton	58,541*
Neenah	23,342*
Oshkosh	51,192*

*1974 Estimate

An inspection of these figures shows that the cities most nearly comparable to Two Rivers in population are De Pere, Menasha, Kaukauna, and Marinette.

It is of value to make a comparison of wage rates offered in these cities for 1976 where they are known.

TABLE XI
COMPARISON OF INCREASES AND PERCENTAGES FOR
FIRE FIGHTERS IN CITIES COMPARABLE IN POPULATION TO TWO RIVERS

City	1975	Jan. 1	Jul. 1	Mo. Av.	Mo. Rate	% Av.
		1976		Inc.	Inc.	Inc.
Menasha	905	975.00	975.00	70	70	7.73
De Pere	918	974.00	974.00	56	56	6.10
Kaukauna	809.89	882.72	935.75	99.38	125.86	12.30
Marinette	782.16	856.47	856.47	74.31	74.31	9.50
Neenah	970.00	1055.00	1055.00	85	85	8.75
Two Rivers	859.56					
Union Offer		928.32	928.32	68.76	68.76	8.0
City Offer		919.73	919.73	60.16	60.16	7.0

Inspection of this table shows that the rate for Fire Fighters in Two Rivers will be lower than any city except Marinette. It will be low with respect to the cities nearest to it.

A similar comparison to the nearest city of Manitowoc with a population of 33,321 is also illuminating:

TABLE XII
COMPARISON OF WAGE RATES FOR FIRE FIGHTERS IN MANITOWOC AND TWO RIVERS

Item	Manitowoc	Two Rivers
1975 Base	935.50	859.56
1976 Rate	1003.50	
Union Offer		928.32
City Offer		919.73
Monthly Rate Increase		
Union Offer		68.76
City Offer		60.16
Percentage Increase	7.26%	
Union Offer		8.0%
City Offer		7.0%

An inspection of this table shows that the Two Rivers Fire Fighters are considerably below the Manitowoc Fire fighters in monthly pay, although the percentage increase offered by the City is more nearly comparable to the percentage gain of Manitowoc Fire Fighters.

The item of wages, however, irrespective of percentage increases indicates that Two Rivers Fire Fighters are low with respect to Fire Fighters in comparable cities, and the weight of fairness falls then with the Union offer.

With respect to the comparison of Two Rivers Fire Fighters with Police, comparison of Police and Fire Fighters' wage is the most usual comparison between the services and often this is the factor governing the setting of wages rates. Formerly parity with respect to monthly pay (not hourly pay) was given consideration. Parity between the two services has been broken, but a considerable disparity also is not desirable because the two services are protective services, requiring strict discipline and having hazards.

The record shows that the services were at parity in 1970, but had a monthly difference of \$46.48 in 1975. The police patrolman's pay was thus about 5.4% greater. The City

holds that there were a series of good reasons why police pay should have increased: reduction in hours for Fire Fighters from 63 to 56 hours; and an increased payment by the City toward the employee's share of Wisconsin retirement payment.

The Union argues that the City now has reduced police work week to 37½ hours. As for pension costs, the Union argues that there is a cost of 21.9% on wages for Fire Fighters' retirement funds, but there is a cost of 19.8% on Police wages for retirement plus a 5.85% cost for social security for the Police.

The arbitrator, in viewing these circumstances, believes that the weight here rests with the Fire Fighters' offer. Both groups have had a reduction in work week, the Fire Fighters' being more substantial, but disparity of \$46.48 is too great, and something of a catch-up adjustment is needed.

The matter of internal comparability needs to be considered. On this score, the City's offer of a 7% increase is more comparable than the Union offer of 8%. The only justification then for the Union offer is the low base rate compared to Fire Fighters' rates in cities of similar size, and in the problem of lessening disparity with the Police.

With respect to the comparisons suggested by the Union as to rates in various building trades, they are of some interest, but can not be given much weight for the reason that it is difficult to establish comparability between Fire Fighters and some specific building trade. The cities on which data has been given are not quite comparable to Two Rivers. The City's graph showing that Two Rivers Fire Fighters have kept above the gains of manufacturing employees is more credible. On this issue of comparison of Fire Fighters with local workers in the private sector, the City's argument is the stronger.

The City's graph, however, shows that the gains of the Two Rivers Fire Fighters in recent times have fallen somewhat behind the increases in the Consumer Price Index, when percentage increases are compared. The City has some differences with the Union on how to apply the CPI; whether to compare items with the average annual rise; or whether to compare wages with the actual rise from one given month to another given month; but the net effect is that the Fire Fighters' pay increase has been about 3.8% behind the rise in the CPI from 1971 to 1975. This fact supports the Union's offer.

As to the matter of fringes, an inspection of the Union's table of fringe benefits is useful, but the conclusion of average deficiencies as claimed by the Union is not quite supportable. This is so not only because of some errors of assumption made as to the basis of valuing holidays, which the City states that the Union has done incorrectly, but also the averages stated in dollar terms do not necessarily reveal whether a fringe benefit is generally given or not.

The matter of overall costs must also be considered. In the City's amended Exhibits 4 and 5, the City presents the information that the overall costs of the offers are 11.1% for the City offer and 12.0% for the Union offer.

The net difference in cost is

\$29,929.66	Union total cost
<u>27,507.67</u>	City total cost
\$ 2,421.99	Net cost difference

This figure is about a difference of 0.9% on the departmental budget.

The total costs represent a percentage increase substantially greater than the rise in the cost of living for the year. The item of overall costs must be weighed against the wage patterns set in comparable cities. It is safe to assume that other cities have costs for persons in a given step rising to the next step, and that they have rollup

keep up the assessments. The City says that considering full value, it is making a very strong effort. The City's argument here is the stronger. However, the cost of the additional funds required by the Union offer would be the amount of \$2421.99 in a budget of \$279,357 for the department.

The City has made an argument that the proposed offer of the City for 1976 far exceeds the prospective rise in the CPI for 1976. Usually any prospective rise is taken care of by a special contract clause, a cost of living adjustment clause; otherwise grants for an increase usually represent past changes in the CPI.

In light of the foregoing discussion, especially the problems lower range of compensation for Two Rivers Fire Fighters and the increase in disparity with Police salaries, the arbitrator believes that the Union offer more nearly meets the statutory guidelines.

AWARD. The agreement between the City of Two Rivers and Local 423, International Association of Fire Fighters, should include the proposal for wages offered by Local 423 as more nearly meeting the guidelines of Section 111.77(6) of the Wisconsin Statutes.

Frank P. Zeidler /s/
FRANK P. ZEIDLER
Arbitrator