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 Municipal Interest Arbitration
 of
 CITY OF JANESVILLE
 and
 JANESVILLE FIREFIGHTERS LOCAL NO. 580
 INTERNATIONAL ASSOCIATION OF
 FIREFIGHTERS
 re
 1977 Wage Schedule & Other Matters:
 WERC Case XVIII, No. 21002, MIA-269
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ARBITRATION AWARD

Arbitrator: James L. Stern

Decision No. 15113-A

INTRODUCTION

On November 16, 1976, Janesville Firefighters Local No. 580, International Association of Firefighters, hereinafter identified as the Union, filed a petition with the Wisconsin Employment Relations Commission (WERC) requesting final and binding arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act (MERA) in order to resolve the dispute between the Union and the City of Janesville, hereinafter identified as the Employer. An informal investigation was conducted on December 14, 1976, by a WERC staff member who advised the WERC that the parties were at impasse on certain issues as outlined in their final offers which he transmitted to the WERC. Thereupon, the WERC issued an order dated December 16, 1976, for arbitration of the impasse and furnished the parties a panel of arbitrators. The parties selected the undersigned arbitrator and the WERC in an order dated December 29, 1976, appointed him as the impartial arbitrator to select either the final offer of the Union or that of the Employer and to issue a final and binding award in this dispute pursuant to Section 111.77(4)(b) of the MERA.

The arbitration hearing was held in Janesville, Wisconsin, on February 25, 1977. Appearing for the Union was Ed Durkin, Vice President, IAFF; appearing for the Employer was Nicholas P. Jones, City Attorney, City of Janesville. Testimony and exhibits were presented at the hearing and further testimony was submitted by letter. Argument was summarized in written post-hearing briefs and rebuttal briefs exchanged through the arbitrator by April 18, 1977. After study of the evidence and arguments the arbitrator sent the parties a letter requesting that evidence be submitted in support of statements made in the Union brief which in his opinion were of crucial importance in this dispute. Responses were received from the parties by May 4, 1977.

ISSUES

The parties had reached agreement on all provisions of the 1977 Agreement except for the following three:

I. Article III, 3. 1977 Wage Schedule

The Union proposes that the 1976 wage schedule be increased by six (6) percent.

The Employer proposes that the 1976 wage schedule be increased by \$546 annually which is an across the board increase of \$21 in the bi-weekly pay. (Translated to percentages, the Employer offer amounts to four (4) percent on the representative classification of fifth year firefighters and ranges from a low of 3.3% on the Captain salary to a high of 4.9% on the first year firefighter salary.)

II. Article IV, G. (Paramedic Pay)

The Union proposes that paramedics will receive five percent (5%) above their base pay in lieu of the five dollar (\$5) per work day premium for firefighters assigned to primary ambulance duty.

The Employer proposes that there be no change in the existing \$5 premium.

III. Article V. Paid Holidays

The Union proposes that the number of compensatory days off granted in lieu of holiday pay be increased from three (3) to four (4).

The Employer proposes that there be no change from the existing provision granting three (3) compensatory days off.

DISCUSSION

Of the three issues involved in this dispute, the wage issue is of the greatest economic importance. The premium pay for paramedics and the additional compensatory day off involve less money than the difference between the wage offers. The two less important issues are discussed first followed by an extended discussion of the wage issue.

Paramedic Pay

The Union argues that since firefighters assigned to ambulance duty who have not had paramedic training receive premium pay of \$5 per day, paramedics who are better trained should receive the larger premium of 5%. The arbitrator does not challenge the logic of this argument but points out that a premium of 4-1/2% would also meet this test and would generate a dollar figure that would be more in line with the premium paid in comparable cities.

The Employer argues that in the comparable cities listed in Union Exhibit #54, paramedics receive between \$600 and \$660 premium per year -- a range which it claims is more in line with its proposed premium of \$605 per year (assuming 121 workdays) than with the Union premium which would amount to \$718 for a firefighter at the five year maximum salary position.

The Union includes the cities of Madison and West Allis in its comparison of paramedic premiums but the Employer correctly points out that the parties don't include these cities in their list of comparable cities in the wage discussion. Therefore, the arbitrator will not give weight to the paramedic premiums in those two cities. Of greater significance is the situation in Beloit. There, the ambulance drivers get a premium of \$50 per month and those with paramedic training receive an additional \$5 per month, bringing the premium to \$660 annually for Beloit paramedics. This figure is just about midway between the suggested Employer and Union figures in this dispute.

On this issue, the arbitrator believes the positions of the parties are almost equally sound and does not believe his choice of final offers as a whole should be influenced by the difference between the parties on this issue. It should be noted also that the cost of the Union proposal seems to be insignificant compared to the cost differences on the other two issues.

Compensatory Days Off in Lieu of Paid Holidays

The argument on this issue is somewhat clouded by the question of whether the arbitrator should confine his analysis to days off in lieu of holiday pay or whether, as the Employer contends, he should examine the total number of compensatory days off for personal days off and vacation and holidays. The arbitrator believes that he should make his comparisons on the broader basis when comparing practices in comparable cities. Also, however, as the Union contends,

he believes it proper to include in the comparisons premium pay for holidays because some cities may have fewer compensatory days off but may instead provide premium pay for work on those days.

The relevant evidence on this issue is contained primarily in Employer Exhibits #4 and #7 and in Union Exhibits #57 and #58. Employer Exhibit #7 shows that Janesville firefighters have 17 days off compared to an average of 13.7 in comparable cities. The Union points out that this table does not take into account that "the cities of Appleton, Eau Claire, Fond du Lac, La Crosse, Sheboygan and Wausau are not given any credit for paying their firefighters from 3.5 days pay to 8.5 days pay for holidays." (Union Brief, p. 12). The Union also claims that "Converting money to time off as the City did with time off to money in City Exhibit 10, we find the data average 18.7 instead of 13.7. The additional day requested by the Union will bring them just under the average even with the Employer's list of Cities." (Union Brief, p. 12).

The arbitrator believes that the calculation described above gives too great a value to a compensatory day off and believes that the better calculation is to divide annual salary by total days paid. (In 1976, for example, the value of a compensatory day off under this formula for a person at the maximum of the fifth year firefighter range would be \$112 (\$13,546/121).) Even so and regardless of which of the two methods is used to calculate the value of the extra day off, it does not appear that the Union request for an additional compensatory day off is unreasonable. It is true, as the Employer points out, that in terms of days off, this puts Janesville above the number found in comparable cities, but it is also true, as the Union points out, that when days off are converted to money terms and premium pay for holidays worked is included in the calculation, the addition of an additional day off does not put the cost of holiday and vacation pay and time off in Janesville out of line with comparable cities.

A final aspect of this issue is the claim by the Union that, in comparison with other employees of the City of Janesville, firefighters deserve an additional compensatory day off in lieu of holiday pay in order to bring them into line with the other employee groups. This claim is valid if only holidays are considered, as is shown in Union Exhibit #58. But if the comparison is made on the basis of total days off, as the arbitrator believes proper, Employer Exhibit #4 shows that firefighters are not out of line at present with the other groups of Janesville employees.

On the whole, the arbitrator finds that the Employer and Union claims about this issue are relatively equal in merit. It does not seem, therefore, that the decision in this dispute should turn on this issue. Also, although the economic impact of an additional compensatory day off is considerable compared to the increase in paramedic pay, it is still no more than half that of the impact of the difference in the positions of the parties on the basic salary schedule.

Wage Schedule for 1977

A comparison of Janesville firefighter wages with those paid to firefighters in comparable Wisconsin cities shows that Janesville firefighters are relatively well paid. Using the maximum salary of the fifth year firefighter in 1976 as the benchmark for comparison purposes, Janesville firefighters rank first out of the 10 comparable cities (including Janesville) shown in Employer Exhibit #11. Using Union Exhibit #22, we find that Janesville firefighters rank second of the ten comparable cities (including Janesville). When the cities cited by the Union and those cities by the Employer are combined into one list, Janesville firefighters rank second out of thirteen cities (including Janesville).

The Union argues that although the salaries of Janesville firefighters may be higher than the salaries of firefighters in most comparable cities, the arbitrator should take into account other factors such as the relatively high wages of production workers in Janesville (Union Exhibit #22) and the relatively low equalized tax rate in Janesville (Union Exhibits #9, #10, and #11). The arbitrator recognizes that production worker wages in Janesville are relatively high and that this fact supports the claim that Janesville firefighter wages also should be relatively high.

The fact that Janesville ranks lowest of the twenty-three largest cities in Wisconsin in equalized tax rates is also supportive of the Union contention that the Employer has the ability to pay. The question still remains, however, as to the size of the wage increase which would be proper in 1977 under these conditions. Should it be 4%, or should it be 6%, given the relatively high wage of Janesville firefighters compared to other firefighters, the high wage of production workers in Janesville, and the relatively low equalized tax rate in Janesville.

Except for the evidence about the size of the 1977 Beloit firefighter wage increase, neither side introduced evidence at the hearing about the size of the 1977 increases granted to firefighters in the comparable cities listed in Union Exhibit #22 and Employer Exhibit #11. However, reference to the 1977 pattern was made by the Union in its brief. Because these references, if accurate, provide vital support for the Union claim that a 6% increase is more equitable than a 4% increase, the arbitrator asked the parties for additional evidence about the 1977 pattern. The arbitrator sent to the parties a listing of the twelve cities included in Union Exhibit #22 and Employer Exhibit #11 and asked that he be supplied with the annual salary for the fifth year firefighter maximum position for these cities for 1976 and 1977 and the dollar and percent increase by which the 1977 figure exceeded the 1976 figure. The Union furnished figures for 10 of the 12 cities on the list and the Employer furnished figures for nine, omitting LaCrosse because it believed that the LaCrosse negotiations were still in process. The twelve cities on the list were Appleton, Beloit, Brookfield, Eau Claire, Fond du Lac, LaCrosse, Manitowoc, Oshkosh, Sheboygan, Waukesha, Wausau and Wauwatosa. Both parties did not include salary data for Wauwatosa and Brookfield and indicated that these two cities were involved in arbitration proceedings. Although there were minor differences in the Union and Employer data about the actual size of increases in the comparable cities, the discrepancies were not significant.

The average dollar and percent increases by which the 1977 salaries exceeded the 1976 salaries for the ten cities cited by the Union were \$816 and 6.7%. For the nine cities cited by the Employer, the figures were \$825 and 6.7%. It is clear to the arbitrator that so far as the going wage increase for 1977 is concerned, the final offer of the Union under which the fifth year firefighter maximum position would be increased by 6% (\$817) is more equitable than the City final offer under which the salary would be increased by \$546 (4%).

Although the Employer attempts to persuade the arbitrator that the firefighters have done well in past years, and that when the increases for the past four years are cumulated, the firefighters would be treated as well as other Janesville employees (see Employer Exhibit #5), the arbitrator does not find this to be sufficient ground for extending a below-pattern increase to firefighters this year. This is particularly true because the tax position of the Employer is more favorable than that of the comparable cities. The Employer has granted a 1977 increase of approximately 6% to employees in the public works bargaining unit and has given non-represented employees a 6% across-the-board increase plus merit increases. On comparability grounds with other firefighters and with other Janesville employees, a 6% increase seems to be much closer to the wage increase in 1977 received by other employees than a 4% increase.

Another piece of relevant evidence is the change in the consumer price index and whether this change is more compatible with the Union offer than with the Employer offer. The Employer stresses that the December 1976 index was 4.8% higher than the December, 1975 index. The Union stresses that the 1976 average index was 5.8% higher than the 1975 index. The arbitrator believes that the December to December change represents a somewhat aberrant situation and is lower, for example, than the twelve month change ending either the month before or the month after December -- the November to November change was 5.0% and the January to January change was 5.2%. And the latest published index for March, 1977, is 6.4% higher than the March 1976 figure. Measured against the change in the cost of living criterion it would appear that the Union offer is more equitable than the Employer offer.

Finally, there is the question of the change in total compensation which would occur under either offer. The Employer contends that under its offer, employee compensation would be increased by 7.79% and that under the Union offer it would be increased by 11.18% (see bottom two lines of p. 3 of Employer brief). The arbitrator does not believe that the computation supporting these percents is correct. As the Union has noted, the total amount of the wage and fringe increase is computed as a percent of the prior year's base salary, rather than as a percent of the prior year's base salary plus fringes. Also, there is disagreement about the amount by which the pension fund contribution is actually increased under these offers.

Union Exhibit #42 shows that the increase in compensation, defined to include only wages, retirement and health insurance costs is \$58,236 under the Employer proposal and \$80,445 under the Union proposal. The arbitrator calculates from this Exhibit that compensation would be increased by 5.4% under the Employer proposal and by 7.4% under the Union proposal. (In the Employer brief, a different rounding rule must have been used as the figures are shown as 5.3% and 7.3% respectively at the top of p. 4). The increase in compensation costs that would occur under the Union proposal does not seem excessive in view of the relatively favorable financial position of the city.

On the whole, it seems to the arbitrator that the Union proposal is more equitable than the Employer proposal. A wage increase of 6% seems more appropriate than one of 4% when the consumer price index is increasing about 6%, and when the Employer has given the non-represented employee a 6% across-the-board increase plus merit increases averaging an additional one percent, and when the Employer's equalized net and full value gross tax rates are lower than those of any of the comparable cities, and, most importantly, when the average 1977 wage increase in comparable cities exceeds the amount proposed by the Union. Therefore as noted below the arbitrator will select the final offer of the Union.

AWARD

For the reasons explained in the discussion section of this arbitration award, and with full consideration of the evidence and arguments of the parties, and with due regard for the criteria set forth in 111.77(6) of the Wisconsin Statutes the arbitrator hereby selects the Union offer and orders that it be incorporated into the 1977 Agreement.

James L. Stern /s/
James L. Stern, Arbitrator

5/10/77
May 10, 1977

