

STATE OF WISCONSIN

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

In the Matter of Final and Binding
Arbitration Between

FIREFIGHTERS LOCAL 875, I.A.F.F., AFL-CIO

and

CITY OF ASHLAND (FIRE DEPARTMENT)

Case XVII

No. 21622 MIA-320

Decision No. 15606-A

HEARING. A hearing on the above entitled matter was held in the Municipal Building, Ashland, Wisconsin, on September 2, 1977, beginning at 10 a.m.

APPEARANCES.

EDWARD DURKIN, Vice President, International Association
of Fire Fighters, 5606 Old Middleton Road,
Madison, Wisconsin, 53705

ROBERT L. SWANSON, City Attorney, City Hall, Ashland,
Wisconsin, 54806

Also Attending:

For the Union - Nick Rouskey, Local 875

For the City - Theodore J. Penn, City Clerk
Rainell Rains, Legal Intern

I. BACKGROUND. This is a matter of final and binding arbitration pursuant to Section 111.77 (4)(b) of the Municipal Employment Relations Act of the Wisconsin Statutes. The parties were in negotiation for an agreement for 1977 but reached an impasse. The Union filed a Petition for Final and Binding Arbitration on May 3, 1977. Robert M. McCormick, Investigator for the Wisconsin Employment Relations Commission, reported on June 22, 1977, that he was satisfied that an impasse within the meaning of Section 111.77 (3) of the Municipal Employment Relations Act existed. The Investigator submitted final offers to the Commission. The Commission concluded on June 27, 1977, that an impasse within the meaning of Section 111.77 (3) existed, certified that the conditions precedent to the initiation of compulsory final and binding arbitration as required by law existed between the parties, and ordered such arbitration. The parties selected Frank P. Zeidler, Milwaukee, as arbitrator, and the Commission appointed him on July 13, 1977.

II. FINAL OFFERS.

FINAL OFFER OF FIRE FIGHTERS LOCAL 875

Offers 6%, effective January 1, 1977, and an additional 2%, effective July 1, 1977.

FINAL OFFER OF CITY OF ASHLAND

City of Ashland offers a 7% increase to the Fire Department Employees of the City of Ashland with no changes in contract language.

III. STATUTORY GUIDELINES, WISCONSIN STATUTES

Section 111.77 (6). 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 wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with wages, hours, and conditions of employment of other employees performing similar services and with other employees 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 employees, 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, fact-finding, arbitration, or otherwise between the parties in the public service or in private employment.

IV. SELECTED FACTS ON THE CITY OF ASHLAND AND ITS FIRE DEPARTMENT. The City of Ashland is a city of the 4th class with a population of 9,109 and is located in Ashland County, Wisconsin, on the shores of Chequamegon Bay, a bay of Lake Superior. It is thus a lake port, but it is not near any other cities of its size. Characteristics of the population and population trends will be discussed later in a discussion on the ability of the city to pay either of the offers. The city has an area of 13.1 square miles.

The city has a Fire Department with two stations because it stretches along the South Shore of the Bay. The Fire Department consists of 26 employees: 1 Chief, 5 Captains, 1 Chief Mechanic, 2 Mechanics, 9 Driver (Motor Pump Operator), and 8 Fire Fighters.

The Union supplied 20 pages of exhibits and 18 separate exhibits. The City supplied 26 separate exhibits of varying lengths.

V. THE LAWFUL AUTHORITY OF THE CITY. There is no factor here which involves the lawful authority of the city either to pay or not to pay either of the offers.

VI. STIPULATIONS OF THE PARTIES. The only issue involved here is the issue of the percentage of wages. All other matters are agreed to, and the basic agreement is the Agreement of 1976. No other major stipulations were made.

VII. THE INTERESTS AND WELFARE OF THE PUBLIC AND THE FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT TO MEET COSTS. The difference between the City's offer and the Union's demand comes to \$139.49 for 1977. The City supplied a number of exhibits directed to showing that it is not in the interests and welfare of the citizens to pay the higher offer. These exhibits will be summarized. The exhibits were appendices to a statement of argument.

Appendix A showed population changes for the United States, the East North Central Region, Wisconsin, Northwest Region, Ashland County, and Ashland for 1930, 1940, 1950, 1960, and 1970. The appendix shows that the population of Ashland dropped 5.1% between 1960-1970. The population of 9,615 in 1960 was below the population of the city in each decade since 1930.

Appendix B showed that the population of the City of Ashland decreased by a greater percentage from 1970 to 1976 than did the population of Ashland County, and the City's population also declined by a greater percentage from 1960 to 1976 than did the County's population. The City's population declined 10.1% from 1960 to 1976 and the County's declined 6.49% during that time. The City's population declined 5.26% from 1970 to 1976 and the County's declined 2.96%.

Appendix C was a chart showing that there has been a negative natural increase in the City of Ashland since 1971, when deaths begin to exceed births.

Appendix D showed that there has been a decline in natural increase and migration of minus 5.26% from 1970 to 1976 in Ashland.

Appendix E was a "tree of life" from 1960 and 1970 in Ashland. It shows a relatively small group of persons in the ages of 0-5 years. A larger group of people were in the 6-14 and 15-24 groups, but a sharp decline occurred in the number of people 25-34. There is a relatively large group of people over 65, and the numbers are skewed to the female side of the tree.

Appendices F and G gave the numerical totals to support Appendix E.

Appendix H showed dependency ratios for the City of Ashland, the United States, the East North Central Region, Wisconsin, the Northwest Region, and Ashland County. The dependency ratios in Ashland in the years 1950, 1960, and 1970 were higher than those in the United States, the East North Central Region, and Wisconsin, and generally less than those in the Northwest Region or Ashland County.

Appendix I gave comparisons for 1970 of family income in Ashland, Ashland County, the Northwest Wisconsin Region, and the state of Wisconsin. Median family income for Ashland was \$8,629, as compared to \$10,068 for Wisconsin. However, the median family income in Ashland was higher than the median family income in Ashland County and the Northwest Region by almost \$1,300 in each case. Of the families in Ashland, 52.7% had incomes less than \$8,999, as compared to 41.6% for the State.

Appendix J showed that in 1976, 383 establishments employed 4,936 persons, of whom 2,303 were females. This compares to 383 establishments employing 4,312 persons in 1972 with 1,389 females. Thus, females are an increasing percentage of the work force. This was reinforced by Appendix K, which was a chart of employment trends.

Appendices M and N were documents which showed that the Wisconsin Department of Revenue found that Ashland had a levy limit for 1976 of \$886,086 and exceeded this by \$522.

City Appendix L was a list of the seven cities with the highest full value tax rate. Ashland was seventh on the list with a full value tax rate of 3.618%. Milwaukee had the highest rate with 4.182%. The assessed value in 1975 for Ashland was \$54,084,870. The full value in 1975 was \$65,077,100. This is an assessment ratio of 83.11%. The 1975 property tax was \$2,354,861, a rate of 4.354% on the assessed value, or the rate of \$3.618 as a full value tax rate.

The Union supplied an exhibit on the proposed cost to the City, page 4 of its exhibit, and this showed the difference in cost for 1977 was \$139.02 for the year. The Union's proposal will cost \$247,821.72, and the City's proposal will cost \$247,682.70.

The Union's Position: The Union says that there is no question of the City's ability to pay the small difference involved in this issue. The Union makes its arguments principally on other factors, and the small sum is considered no bar to the City's ability to pay. It is in the interest of the City to have properly paid Fire Fighters.

The City's Position: The City notes the steady decline in population with the greatest decline in the last 16 years. It notes that deaths are increasing over births and that the City is experiencing out-migration. The City says that its exhibits show a drastic loss of young working age persons in the community. The City supports young children as dependents until they reach working age and then they are lost to outside areas. Thus, potential taxpayers are lost. Also, the City has a larger number of persons over 65 who are presumably dependent and non-productive. The City also says that its exhibits show that young males are leaving the City. The productive workers are leaving, and the people most likely to be dependent remain. The City says it has a high dependency ratio.

The City says that its exhibits show that the Ashland median family income is more than \$1,500 below the State median family income. The City notes the increasing number of women in the work force and decreasing number of men.

The City says that the steadily declining population means a steadily declining tax base, and the City is economically depressed according to the average statistics of the State of Wisconsin.

As to taxation, the City notes it had the 7th highest tax rate in 1975. It says that there are 13.1 square miles in the City and 75 miles of streets. There is little new substantial construction and many miles of gravel streets without curb or gutter. The City notes that its tax levy exceeded the permissible limits for 1976.

Discussion. While the difference between the City's offer and the Union's offer is very slight, yet on the basis of the ability to pay, the City's offer must be considered to more nearly meet the guidelines, since the evidence is that the City is declining in population and it has a high tax rate.

VIII. COMPARISON OF WAGES WITH OTHER FIRE FIGHTERS

The Union provided in page 4 of its comprehensive exhibit the information that the Ashland Fire Department consists of 24 employees in the bargaining unit. There are 3 Fire Fighters under 1 year of service, 2 Fire Fighters over 1 year; 10 Drivers, and 9 persons receiving pay at the rate of Captain.

The following table is derived from the Union's exhibit, page 4:

TABLE 1

PROPOSED 1977 ANNUAL BASE PAY, FIRE FIGHTERS, ASHLAND

<u>CLASSIFICATION</u>	<u>NO.</u>	<u>UNION POSITION</u>	<u>CITY POSITION</u>	<u>DIFFERENCE</u>
Fire Fighter Under 1 Year	3	\$ 9,186.24	\$ 9,181.08	\$5.16
Fire Fighter Over 1 Year	2	10,117.56	10,111.92	5.64
Driver	10	10,389.24	10,383.45	5.79
Captain	9	10,681.72	10,675.68	6.04

The total cost of the Union's proposal is \$247,821.72 as stated before. The total cost of the City's proposal is \$247,682.70. The difference is \$139.02 for the year.

The Union's exhibit, page 5, was an exhibit on wage increases for Wisconsin Fire Fighters in cities with populations under 26,000. The list included 19 cities widely distributed across the state and including Southeastern Wisconsin. The exhibit showed that the average population for these cities was 14,930, as compared to Ashland's population in 1970 of 9,615. The 1976 average yearly salary for the 19 cities was \$11,746, as compared to \$9,450 in Ashland. The 1977 average yearly salary for the 19 cities was \$12,586, as compared to the proposed 1977 salary of the Union of \$10,117. The average dollar increase from 1976 to 1977 was \$840, as compared to \$667 under the Union's proposal.

The Union's exhibit, page 6, distilled from the exhibit of page 5 the northern cities of Antigo, Chippewa Falls, Merrill, Rhinelander, and Rice Lake. It showed the average population of 9,718 and an average 1977 salary of \$10,750. This compares to Ashland's population of 9,616 and a Union proposal of \$10,117. Thus, the wage difference for Ashland is \$638 less than the average.

The Union's exhibit, pages 17 and 18, was a report from an unknown source dealing with unemployment compensation statistics in Wisconsin and in Ashland County. The average weekly wage for the second quarter of 1976 for employees in local government was \$219.01, while in Ashland this wage was \$185.52.

The Union's exhibit, page 19, was a list of 50 cities with paid Fire Departments in Wisconsin, of the populations of the cities, and the monthly salaries. Ashland was second lowest with a monthly salary of \$787.54. The average salary was \$1,029 per month.

The City's Appendix P showed a listing of 26 smaller Wisconsin cities with populations from about 7,000 to about 17,000. Thirteen had volunteer Fire Departments. Of the 12 remaining cities, Ashland had the lowest ratio of persons per Fire Fighters--with a ratio of 1 paid Fire Fighter to 350 people. As to the ratio of people to Policemen, Ashland was 7th lowest in the 26 cities.

City Appendix O listed the monthly wages of Fire Fighters in various classifications in 12 Wisconsin cities somewhat comparable to Ashland in size. City Appendix R listed the yearly wages for 1977 of the same cities. Those cities are Antigo, Beaver Dam, Chippewa Falls, Kaukauna, Marinette, Menomonie, Merrill, Rhinelander, Superior, Two Rivers, and Watertown. In the categories of Captain, Driver, Motor Pump Operator, and Fire Fighter, Ashland was low. The city with compensation ratings nearest those of Ashland was Antigo, a city with a population of 8,903.

City Appendix S showed the percent increase in base wages from 1976 to 1977. The proposed increase by the City for Ashland is 7% across the board, and the proposed

increase by the Union is a step increase of 6% for six months and 8% for six months. In a list of 11 cities where percentage increases for the rank of Captain were shown, the proposed Ashland increases were sixth. Only two cities showed a proposed increase for Chief Mechanic, and the Ashland percentage increase was lower than either of these.

Of four cities other than Ashland showing percentage increases for Driver/MPO, two had a lower starting percentage but a higher top than Ashland. One other had a higher top and one city, Superior, showed a lower percentage increase.

Of nine cities listing percent increases for Fire Fighters, seven of them had some part of the range getting a higher percentage pay increase than shown in either of the offers in Ashland. Two cities had lower percentage increase. They are Superior and Menomonie.

Ashland Fire Department salaries for 1977 are budgeted at \$280,051. The 1976 actual salaries for this department were \$254,370. The 1977 total department budget is \$358,550. The actual 1976 budget was \$383,849. This budget included \$66,053 for hydrant rental. Hydrant rental is not in the 1977 departmental budget.

The contingent fund is set at \$55,000 for 1977 as compared to \$1,490 expended in 1976.

The Union Position. The Union notes that the City is low in basic wages as compared to a state-wide selection of cities and is low when compared to other small northern cities. The Union says that the City's argument that it employes more Firemen per person than other cities should not be held against the Firemen. It should not keep wages low just to keep more persons on the force.

The City's Position. The City says that considering the size of Ashland and the number of Fire Fighters, the City is paying its Fire Fighters a reasonable wage and is offering a reasonable increase. It notes that cities larger than Ashland have volunteer or part time Fire Departments. It notes that the City employs more Fire Fighters per population unit than any city of comparable size. Superior has fewer Fire Fighters than Ashland but has a greater population. The City notes that while Ashland has the lowest salary range with the exception of Menomonie, no city has a higher tax rate than Ashland. Ashland is within several hundred dollars of the yearly salaries for other Fire Fighters.

The City notes that in the list of cities it provided, three cities had increases over 7%, four had increases under 7%, and the remainder had both lower and higher increases. Also, the majority of the Ashland Firemen have a rank greater than Fire Fighter. The City notes that nine Fire Fighters have the rating of Captain, and in other municipalities, the majority of employees are in the classification of Fire Fighter.

The City says that the \$139 yearly difference in the offers is not the issue. Rather, it is the raise to 8%, which will have to be paid by the taxpayers forever afterward.

Discussion. On the issue of comparison of basic wages alone, the city of Ashland is considerably lower in all categories than other cities. Its Captain's rate is lower than the top Fire Fighter rate in 9 of the 11 cities listed by the City as cities of comparable status. By the guideline of comparability on this issue alone, the Union's offer more nearly meets the guidelines of the statutes.

IX. COMPARISON OF WAGES WITH POLICE.

The Union's exhibit, page 8, was a table showing comparison of total compensation between Ashland Patrolmen and Ashland Fire Fighters. Reduced, this exhibit produces this comparison:

TABLE 2
COMPARISON OF BASIC WAGE AND TOTAL COMPENSATION OF
ASHLAND PATROLMEN AND FIRE FIGHTERS, 1977

<u>CLASSIFICATION</u>	<u>BASIC SALARY</u>	<u>TOTAL COMPENSATION</u>
Patrolmen	\$10,491	\$13,406
Fire Fighters	10,112	12,340
DIFFERENCE	-379	1,066

The City provided information on police salaries on a monthly basis. The following information is derived therefrom:

TABLE 3
ASHLAND POLICE SALARIES, 1976 AND 1977
SELECTED CLASSIFICATIONS

<u>CLASSIFICATION</u>	<u>JAN. 1, 1976</u>	<u>JAN. 1, 1977</u>	<u>PERCENT INC.</u>	<u>1977 ANNUAL SALARY</u>
Sergeant of Police	\$862.67	\$923.06	7.0	\$11,076.72
Traffic Sergeant	862.67	923.06	7.0	11,076.72
Patrolman	817.10	874.29	7.0	10,491.48

New employees on probation shall receive \$75.22 less per month while on probation during 1976 and \$80.48 less during 1977.

The Union Position. The Union notes the annual difference in total compensation between Police Patrolmen and Fire Fighters, which is \$1,066.

The City's Position. The City argues strongly against comparing Police and Fire Fighters. It says that the job duties of the two are very different and that working hours and other conditions are very different, so that comparison is not useful.

Discussion. Making comparisons of the rank of Patrolmen with Fire Fighters is complicated by the presence of the classification of Driver/MPO for which there is no comparable Police classification. It is helpful here to note that there are 9 Drivers/MPO, who would be getting a 1977 rate of \$10,383, and 8 Fire Fighters, who would be getting a 1977 rate of \$10,118. The total compensation for these two classifications would be \$174,391, and the average compensation is \$10,252. This average rate should be compared with the Patrolman's rate for 1977 of \$10,491, or a difference of \$239 in favor of the Patrolmen. This constitutes a 2.3% difference in overall compensation on the average. There is also a difference in total compensation; the Patrolmen's total compensation being 8.6% above Fire Fighters.

The arbitrator believes that while the principle of absolute parity between the protective services is not as strictly adhered to as it once was, the idea of some nearness in compensation is desirable because of the hazard of the work. Therefore, he believes that the Fire Fighters' offer on this issue more nearly satisfies the guidelines than does the City's offer.

X. COMPARISON OF COMPENSATION WITH THAT OF OTHER CITY EMPLOYEES.

The City noted in its brief that the Ashland City Employees Local 16H, American Federation of State, County and Municipal Employees, AFL-CIO (Ashland City Police Department), accepted a 2-year contract in 1975, which called for a 7% wage increase to the Policemen in 1976.

Local 216, AFSCME, AFL-CIO (Public Works Department), also accepted a 7% wage increase after mediation.

Discussion. On the basis of this information, it is apparent that on the guidelines of comparability of the City's offer to other settlements of public employees in the City, the City's offer more nearly meets the guidelines than does the Union's offer.

XI. COMPARISON WITH COMPENSATION FOR PRIVATE EMPLOYEES.

The Union's exhibit, page 12, was a chart from which the following table is derived:

TABLE 4
ASHLAND WAGE SETTLEMENT IN THE PRIVATE SECTOR

<u>COMPANY</u>	<u>1976 RATE</u>	<u>1977 SETTLEMENT</u>
American Can	\$6.90	50¢ per hour plus 3% COLA
Breeting Iron Works	5.30	50¢ per hour plus COLA
Coal Dock Workers	6.50	50¢ per hour plus COLA
Retail Clerks	5.90	65¢ per hour plus COLA
Louisiana Pacific	4.75	35¢ per hour plus COLA

The Union's exhibit, page 10, was a report of the U.S. Department of Labor of July 28, 1977, showing that wage rate adjustments negotiated during the first half of 1977 averaged 8.0% for the first contract year and 6.0% annually over the life of the contract.

The Union's exhibit, page 9, was a table of the earnings of employees in manufacturing in Wisconsin and in selected areas. The average weekly earnings for the State for such workers in June, 1977, was \$248.29 and in the Wausau area, the area nearest to Ashland which was listed, the earnings were \$252.51.

The Union's Position. The Union says that it understands the problems in Ashland, but there are some new line industries. Increases to workers in these industries have been substantial; favorable with any place in the state. They are providing a good tax base. The people in private industry got a better raise than did the Fire Fighters.

The City's Position. The City says that one cannot compare public employees with private employees. The profit motive does not apply in the public service. If big companies make money, they can share the profits with the employees. The City notes that the Coca Cola employees are on strike. They received \$2.30 an hour. The employees at the Memorial Medical Center receive a \$2.68 per hour minimum with a 10¢ per year increase. In a textile plant, the average rates are \$3.35 per hour for piece work.

Discussion. The arbitrator considers the information on what employees in the private sector receive in Ashland too meager to make any sound judgment, and he cannot determine which party's offer more nearly meets the statutory guidelines.

XII. COST OF LIVING.

The Union's exhibit, page 13, was a table which included the national consumer price index for several years and was a release which included the July, 1977, index. The all items index was 182.6. The December, 1976, index was 174.3, and the average for 1976 was 170.5. The average for the year of 1975 was 161.2. The percent increase of the CPI between July, 1977, and July, 1975, was 6.7%. The average annual change from 1975 to 1976 was 5.8%.

The Union's exhibit, page 14, was a chart of comparable monthly and real group income in 1976 dollars. The following table is derived from this chart:

TABLE 5
MONTHLY INCOME AND REAL GROSS INCOME,
ASHLAND FIRE FIGHTERS
SELECTED YEARS

<u>YEAR</u>	<u>CPI</u>	<u>MONTHLY INCOME</u>	<u>REAL GROSS INCOME</u>
1967	100	\$434	\$434
1970	116.3	531	457
1972	125.3	600	479
1974	147.7	676	457
1975	161.2	750	465
1976	170.5	788	462

The Union's exhibit, page 15, was a news report of the U.S. Department of Labor, May 5, 1976, which showed that the low budget for a four-person family was \$9,583 and an intermediate budget was \$15,313. Page 16 gave the added information that the annual cost of an intermediate budget for such a family for the Autumn of 1975 was \$14,022.

The City provided Appendix O showing that the change in the CPI, using 1967 as the base, from 1975 to 1976 annually was 5.8%. However, the change from December, 1975, to December, 1976, was only 4.8%.

Discussion. On the basis of the comparison of the rise in the Consumer Price Index, the City's offer exceeds the rise from the annual average in 1975 to 1976 and meets the guidelines of the statutes. It is true that the net result of the raise does not approach the intermediate cost of living for a family of four as reported by the Department of Labor. However, on the basis of the CPI itself, the City meets the guidelines.

XIII. OVERALL COMPENSATION.

The Union's exhibit, page 6, was a table of six small northern cities including Ashland. The table showed basic salary, pension costs, insurance, holiday pay, vacations at the 10-year level, and longevity. The total compensation was then listed. As stated earlier, the total compensation of Ashland Fire Fighters was \$1,920 less than the average of the other five cities.

The Union's exhibit, page 7, was a listing of the placement of Ashland in the various categories listed above. According to this table, Ashland was third in population, last in basic wage, last in pension, second last in insurance, and last in holiday pay, vacations, and longevity.

City Appendix U was a list of selected benefits in 12 Wisconsin municipalities. These cities were: Ashland, Antigo, Beaver Dam, Chippewa Falls, Kaukauna, Marinette, Menomonie, Merrill, Rhinelander, Superior, Two Rivers, and Watertown. The exhibit showed Ashland with 8 holidays per year but six of the cities with more than 8 holidays. Three cities were tied with Ashland, and two cities had fewer days. Seven cities paid regular time for these days, while Ashland with a payment of the regular pay plus \$25 a holiday, paid more. There was a question on the part of the Union of the manner in which holidays were calculated.

As to sick leave, Ashland offers 12 days in conjunction with 5 other municipalities. One offers more days, and 5 offer less. Ashland allows sick leave to accumulate to 120 hours, more than any other municipality.

The uniform allowance for Ashland is \$125 a year; this is exceeded by one city, matched by another, and greater than the other cities listed.

The City made a listing of gas mileage, but since this is a matter of some rarity of use and is granted in actual gas and meals, the arbitrator cannot make a valid comparison with the mileage rates afforded to other municipalities.

City Appendix V listed vacation benefits. The maximum of 4 weeks reached at 15 years was matched by one city. Five other cities arrived at the rate of 4 weeks in 15 years. Four municipalities went to 5 weeks at 20 years.

City Appendix W listed hospitalization insurance, life insurance, and retirement. Ashland was one of 8 municipalities paying 100% for the single plan. It was one of 5 cities paying 100% for the group plan. Its single premium--at \$27.84--was third lowest, as was its family premium at \$70.81.

The City was one of four municipalities paying 100% life insurance. As to retirement, it paid 63% of the cost, as compared to all other cities who paid 100% of the cost.

The Union's position. The Union notes that the city of Ashland is low in the list of cities it uses for comparison in wages and total compensation. It notes that in many individual items Ashland is also low. The Union says that its exhibit, pages 19 and 20, show that Ashland Fire Fighters are paid at a rate of 30.6% below the average rate of other Fire Fighters in the state, whereas municipal employes in Ashland are 18% less than the average.

The City's position. The City states that Ashland Fire Fighters receive holiday benefits, sick leave and accumulated sick leave, mileage and meals, and uniform allowance which are as good or better than other cities listed. Vacation benefits accumulate quicker than in most other cities, and life insurance and hospitalization and retirement benefits which are given to the Fire Fighters are better than most of the cities listed in the City's selected list of comparable cities.

Discussion. In making total compensation comparison, the arbitrator questions the data supplied to him by the parties. The City's data lists few dollar amounts. Holidays are given in days and pay plan. Sick leave is given in days, and mileage is given in rate of accumulation without a dollar value assigned. The hospitalization rate is given. Life insurance is mentioned in terms of percentage, as is retirement. The total dollar value of these benefits is not given.

In the Union's exhibit, page 6, the arbitrator finds some questionable calculations. For example, the value of holiday pay for Ashland Fire Fighters is given as \$200. This apparently is obtained by multiplying the number of 8 days by \$25 to get a cash amount paid. However, in other instances, the value of the day itself may be used. Thus, the value of the Ashland holidays is understated by \$672 (though only \$200 is in cash). In the case of Antigo, City Appendix V lists both Antigo and Ashland as having 3 weeks vacation. Thus, the number of workdays in 3 weeks might be multiplied by the value of one workday to get their value. The arbitrator calculates that Fire Fighters on the average work one day in three; thus, for three weeks the number of workdays would be seven. The arbitrator calculates the value of the day of an Antigo Fire Fighter to be worth \$86. Thus, the vacation rate at 10 years would be worth 7 x \$86 or \$602. The Union's exhibit lists \$766.

The Union's exhibit does not list uniform allowance payment, which is favorable to the City in this category. To resolve some of these difficulties, the arbitrator has developed the following table. He has used cities in the Northern region, since the economy of the northern region operates at a lower price level than the economy of the southern region of the state.

TABLE 6

COMPARISON OF TOTAL COMPENSATION IN
SELECTED NORTHERN WISCONSIN CITIES
FOR FIRE FIGHTERS (10 YEARS' SERVICE)

CITY	1977			HOLIDAY PAY (VALUE)
	SALARY	PENSION	INS.	
Antigo Pop: 9,905	\$10,332	\$827	\$ 931	\$762
Chippewa Falls	11,220	898	1,008	689
Merrill Pop: 9,500	11,412	913	1,382	935
Rhineland Pop: 8,684	10,512	841	1,235	388
Rice Lake	10,272	822	816	677
Ashland	10,112	506	849	633

CITY	VACATION 10 YEARS	LONGEVITY	UNIFORM ALLOWANCE	TOTAL COMPENSATION
Antigo	\$ 593	\$360	\$ 75	\$13,880
Chippewa Falls	644	224	125	14,808
Merrill	654	210	100	15,606
Rhineland	603	120	75	13,364
Rice Lake	1,016 ¹	308	---	13,301 ²
Average Total Compensation				14,191
Ashland	580	90	125	12,925
Difference				1,286

¹ This figure would indicate 12 working days in a vacation period which would calculate to 5 weeks at 10 years.

² The arbitrator has no data on any uniform allowance for Rice Lake. If there is one, this total would be larger.

In reviewing the chart, the average of the 5 northern municipalities for which data is given is increased by the presence of 2 cities in areas more industrialized than the Ashland area. These are the cities of Chippewa Falls and Merrill. If the average of the remaining 3 cities is taken for the total compensation, this would be \$13,515. The difference between this average and that of Ashland would be \$590 per year.

Although Ashland is a declining area, the arbitrator believes that the pay for the Ashland Fire Fighters is too far below that of other northern cities in nearly rural areas, and, therefore, he believes that the Union's argument here more nearly meets the statutory guidelines.

XIV. CHANGES IN CIRCUMSTANCES DURING THE PENDENCY OF THE ARBITRATION.

The "All Cities" Consumer Price Index for August, 1977, on the 1967 base was 183.3. This was a 0.4 increase over the previous month and an annual rate of 4.8%. The increase was a 6.6% increase over August, 1976.

It is the custom of this arbitrator to use the CPI of the previous year's average as the base for reckoning an increase. By that standard, the arbitrator has noted before that the City's offer exceeds the annual average increase.

XV. OTHER FACTORS. There are no other major factors to consider.

XVI. SUMMARY ARGUMENTS.

The Union's Position. The Union, in the course of the discussion, made several points which the arbitrator will note here. The Union says that it did not address the subject of the ability of the City to pay because of the very slight difference between the offers. The difference is \$139, and that is a small part of the package for next year. The Union states that Ashland is an older city and that it has old buildings, not maintained, and these constitute a special work hazard. The Union notes that the Fire Fighters have taken over the ambulance service, which takes up more of their time. Further, the Union feels that it should not be responsible if the City claims it has too many Fire Fighters, and because there are more Fire Fighters, this should not be used to hold down wages.

The Union notes that Fire Fighters should at least receive the compensation of a Licensed Practical Nurse, who gets \$4.25 an hour. When everything is taken into account, the Union's offer comes closer to the guidelines of the Statutes than does that of the City.

The City's Position. The City notes that the difference between the City's offer and the Union's demand is only about \$139 for the year, but the City is opposed to the Union's split offer because it increases the base for 1978. If Ashland had a brighter outlook, this might be reasonable, but the City is losing population on a steadily increasing basis for reasons cited earlier. In spite of the outlook, the City has sought to retain the services of all of its Fire Fighters even though comparisons show that it has too many.

The City says that while the Fire Fighters' wages are below the average of the compared communities, yet a greater number are above the Fire Fighter ranks, with 9 in the unit or 37% being paid as Captains. The City says that its employee benefits are equal to, if not better than, those in comparable communities.

However, the City says that Ashland has no equivalent community. It is the only city of its size in Northern Wisconsin, except for Superior. The nearest city of its size is Chippewa Falls--160 miles away--but all of these cities are located in better economic areas.

The City notes that the contract language of the 1976 Contract is not being changed; the employees are not giving up any of their rights, and the City is not getting greater authority or requiring more work from the Union. The City is offering a 7% increase in wages, which exceeds the CPI. This is the same wage accepted by all other City employees who are unionized. The City is also limited by levy limits and is taxing to the maximum.

Discussion. A summary of the arbitrator's findings on specific aspects of the differences between the parties is as follows:

1. There is evidence that the City is undergoing a decline, that it has a high tax rate, and that it is in the interest of the government to keep down expenditures, since the ability to pay is resting on fewer people.
2. In basic wages, the Union's offer is very low as compared to other municipalities in the state and is lower than comparable cities in the region.
3. The wages of the Fire Fighters in basic salary and total compensation are considerably lower than the rates for Police.
4. The City's offer is the same as that which was agreed upon by other employees of the City.
5. In the cost of living, the City's offer surpasses the raise in the CPI from 1975 to 1976.
6. In overall compensation, the wages of the Ashland Fire Fighters are low.
7. There is a continuing increase in the CPI.

The essence of the dispute here is to weigh two basic competing claims. One is the claim of the City that because of the decline, it should not be required to break the pattern formed by voluntary agreements with other unions. The other claim is that of the Union that this pattern should be broken because the wages of the Association are below those of other comparable departments and, indeed, among the lowest if not the lowest in the state. The decision of the arbitrator will, in effect, have a judgmental effect on which of the two conditions are more serious than a monetary effect.

Looking at the issue in this way, the arbitrator finds two situations which weigh in favor of the city. One is that in free bargaining two employee organizations settled at the 7% rate, and secondly, the decline of the City's viability is serious. If the data is to be believed, the tax rate is very high. A minor factor in favor of the City is that its offer has exceeded the CPI.

There is an obvious need for some kind of "catch-up" by the municipality in Fire Fighter's salaries, but the arbitrator believes that until there is a better situation, the City's offer more nearly meets the statutory guidelines.

AWARD. The Agreement between Local 875, International Association of Fire Fighters, Ashland Fire Fighters, and the city of Ashland shall include the offer of the city of Ashland on wages.

Frank P. Zeidler /s/
Frank P. Zeidler
Arbitrator

October 24, 1977