

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

BEFORE THE ARBITRATOR

In the Matter of the Petition of :
LOCAL 1021 INTERNATIONAL :
ASSOCIATION OF FIREFIGHTERS, :
AFL-CIO :
For Final and Binding Arbitration : Case XX
Involving Firefighting Personnel : No. 22-75
in the Employ of : MIA-327
Decision No. 15930-A
CITY OF MARSHFIELD (FIRE : AWARD
DEPARTMENT) :
:

Hearing Date February 7, 1978

Appearances:

For the City

MR. JOHN H. STAUBER, City Attorney;
MR. MICHAEL J. BEHRENS, Personnel
Director;
MR. DONALD NYSTROM, Alderman.

For the Union

MR. EDWARD D. DURKIN, Vice President,
IAFF, Local 1021

Arbitrator

ROBERT J. MUELLER

Date of Award

March 9, 1978

BACKGROUND

This matter came on for resolution by means of final and binding arbitration under the provisions of Section 111.77, Wisconsin Statutes, wherein the arbitrator is obligated and required to determine whether the final offer of the Association or the final offer of the City is the most reasonable by virtue of the application of the factors specified in Section 111.77(6) of the Wisconsin Statutes.

A hearing was held in the City of Marshfield on February 2, 1978. Both parties were present, were afforded full opportunity to present such testimony and evidence as they deemed pertinent and to make such arguments as each deemed relevant in the premises. Each party entered oral summation on the merits of their respective positions at the conclusion of the hearing in lieu of filing written briefs.

THE FINAL OFFERS

The sole issue upon which the parties reached an impasse involved the appropriate wages payable from January 1, 1978 through December 31, 1978.

Firefighters final wage offer for 1978 is as follows:

January 1, 1978, \$70.00 per month to all bargaining unit members.
July 1, 1978, \$20.00 per month to all bargaining unit members.

The City's final wage proposal for 1978 is as follows:

January 1, 1978	
\$70.00 per month	1st Class Firemen
\$77.00 per month	Lieutenant
\$80.00 per month	Captains

(7% monthly increase for a single fireman not currently rated a 1st class fireman).

DISCUSSION

In resolving this matter, the arbitrator is to apply the factors specified in Section 111.77(6) of the Wisconsin Statutes. In this case, no issues were raised concerning the factors of, "(A) the lawful authority of the employer," and "(G) changes in any of the foregoing circumstances during the pendency of the arbitration proceedings." There likewise, were no stipulations of the parties which require discussion or consideration involving the dispute in this case.

Both parties presented documentary evidence and submitted arguments involving factor (6), (c) concerning the interests and welfare of the public and the financial ability of the unit of government to meet these costs.

The City did not contend that they did not possess the ability to pay or to meet the higher costs of the Union proposal as such. They contended that the City has, however, accounted for and allocated every dollar that is contained in the budget and that the budget has been allocated based on priority judgments of the council, which is the council's function and duty. They contend that the amount of the budget was set with consideration being given to the ability of the taxpayers along with consideration being given to the level of services which was deemed desirable and reasonable within the budget available and that the respective interests were recognized and considered in arriving at, what the council determined was a fair and equitable budget and allocation of the funds thereunder.

The Union contended that the City of Marshfield had enjoyed an approximate ten and one-half percent population growth over the past seven years, indicating that the City was a healthy and growing area. They also presented documentary data showing that the effective real estate full value tax rate in the City compared favorably to the other mid-state cities of Wausau, Stevens Point and Wisconsin Rapids. They also presented evidence showing that the new construction scheduled for the City of Marshfield for 1977 was in excess of \$30,000,000.00.

The Union also submitted a number of documents into evidence involving the City budgets over the past few years and contended that from each budget, a surplus was carried over from the Fire Department budget into the following year.

Consideration of all of the documentary exhibits presented by both parties on such issue and the arguments thereon, leaves the undersigned with the conclusion that no great issue exists involving the ability of the City to pay. Further, the undersigned finds that the additional cost of the Union proposal in this case, amounting to an approximate one percent difference, or \$4,310.90 more as computed by the Union, and \$5,336.00 more as computed by the City, is not so significant as to impose any substantial impact one way or the other upon the interests and welfare of the public or the financial ability of the unit of government to adjust and meet such cost differential.

Both parties presented a minimum amount of data involving comparative data of wages, hours and conditions of employment of employees in private employment. The data presented by the parties is not sufficient upon which to make any meaningful comparisons. No data was submitted of private sector rates in other comparable communities so that any meaningful relationship could be found to exist between private sector wage rates and public sector rates upon which one could make an analysis of any meaningful relationship of private sector to public sector from such comparative standpoint.

The bulk of the data submitted by both parties in this case dealt with the factors of comparing the wages, hours and conditions of employment of employees in the City Fire Department to the same type of employees in comparable communities.

The City contends that the City of Marshfield should be compared to the cities of Wausau, Wisconsin Rapids, Stevens Point, Rhinelander, Chippewa Falls and Merrill, as all cities are within the geographic proximity of less than 100 miles of Marshfield. The Union contends that the most comparable cities for comparison purposes should be Wausau, Wisconsin Rapids and Stevens Point.

The arbitrator, after reviewing the arguments and contentions of the parties, is of the opinion that the more appropriate areas with which to make comparisons in this case is that of Wausau, Wisconsin Rapids and Stevens Point. Such three cities have been and are generally recognized as comprising the major municipalities in the central Wisconsin area, they share to a great extent in a common labor and commercial market, and are most comparable as to population, average family income and tax base. For purposes of evaluating the relevant comparison factors in this case, the arbitrator will utilize as the major point of consideration, a comparison with such three communities.

There exists no discrepancies between the information furnished by both the Association and the City with respect to the rates in effect at the cities hereafter listed and both parties utilized the Firefighter 1st Class rate in all instances as the primary basis upon which to draw comparisons.

The following is a comparative analysis of the four municipalities, setting forth the rate which was in effect during the calendar year 1977, the dollar increase that has been settled upon between such other municipalities for 1978, and the present 1978 rates.

	<u>1977</u>	<u>1978</u>	<u>Increase</u>	<u>Percent</u>
Wausau	1017.00	1092.00	\$75.00	6.868
Wisconsin Rapids	1077.00	1155.00	78.00	6.753
Stevens Point	<u>1013.00</u>	<u>1083.00</u>	<u>70.00</u>	<u>6.463</u>
Average	1035.67	1110.00	74.33	6.694
Marshfield	995.00			
City Offer	1-1-78	1065.00	70.00	6.572
Union offer	1-1-78	1065.00	70.00	
	7-1-78	1085.00	20.00	
weighted average for the year (80.00)				7.511

Difference in proposals in comparison to the above averages:

	<u>Dollars</u>	<u>Percent</u>
City offer	4.33 less	0.122 less
Union offer		
(based on average cost of 80.00)	5.67 more	0.817 more

On the basis of the above evaluation, it would appear that this case should more appropriately have been settled at an approximate mid point between the last and final offer submitted by both of the parties. The difference that does exist as seen from the above comparative computation, would seem to slightly favor the City's offer.

Looking next to an examination of overall compensation as between the City of Marshfield and the other three municipalities, one finds the following:

Overall compensation - as compared to Wausau, Wisconsin Rapids and Stevens Point as a group average.

	<u>Better</u>	<u>Not as good</u>
Longevity	slightly	
Ambulance duty	X	
Pension	X	
Clothing allowance	X	
Health Insurance	(Marshfield pays 80% while the others pay 90% of the premium. Based on the premium however, Marshfield's insurance cost is higher and would indicate better coverage.) On a total evaluation however, the arbitrator would judge that it would be more properly listed as not as good for purposes of this comparison)	
		X
Life insurance	X	
Holidays		X (fewer in number)

On the basis of overall compensation comparison, it would appear that the City of Marshfield compares favorably and on an overall comparison provides slightly better fringe benefits to their employees.

Looking next to the application of the cost of living, the published index reveals that the percent increase in the cost of living for the calendar year 1977 was 6.8%. The Union utilized a slightly different approach in presenting the cost of living argument by applying it over a longer period of time in relationship to equate the gross dollar earnings under the two proposals to the dollar earnings of the firefighter, referred to as real dollars from 1972 to the present. Under their computation, the real gross dollar earnings of the firefighter reduced by the cost of living increase in 1972 was \$571.00. Tracing that same formula to the present time, the Union contends that the 1977 rate of \$995.00 increased by 7 percent which is the approximate City offer, yields a real dollar gross to the employees of \$548.00, being \$23.00 per month less than they enjoyed in 1972.

There is no doubt but that the Union's approach to the matter is very meaningful to the employees involved. Clearly, such computation reveals that the employees have in fact suffered a real wage loss over the approximate five-year period which is reviewed by the Union.

On the other hand, a strong argument can be made that each year should stand on its own, and that the cost of living which occurs during the specific year involved in the contract negotiations, should be the most relevant.

The Association in this case presented a graph, identified as Exhibit No. 19, which graphically indicated the relative position of each of the four municipalities from 1971 to 1978. Such graph reveals that in 1971, Wisconsin Rapids was slightly above Marshfield and that Wausau and Stevens Point provided lower pay. In 1972, Wisconsin Rapids again was the highest, Wausau was second, Marshfield third and Stevens Point fourth. In 1973, the order remained unchanged. In 1974, Wisconsin Rapids was the highest while the other three municipalities were identical in the rate paid to firefighters. In 1975 to the present time Marshfield has been the lowest of the four municipalities. The Union contends that the City's offer of \$70.00 would effectively keep Marshfield below the other three municipalities. They vigorously argue that whereas they were in the number two position in 1971, the employer has consistently granted lower increases to the employees than have the other three municipalities and that no justification exists for the City of Marshfield to retain such lower paying, last place position in comparison with such other three municipalities. The undersigned finds substantial merit in the Union's argument on such point. The critical question, however, concerns the balancing out of the merits of such argument against the countervailing merits on the overall compensation comparison and numerical wage comparison hereinabove set forth and to determine, if possible, the relative weight to be afforded each so as to come to an end conclusion.

As above observed, the numerical comparison would seem to slightly favor the offer of the City. Also, as above revealed from the overall compensation evaluation, the City's offer would appear to possess slight favorability. The graphic comparison of the respective communities covering the period from 1971 to date, would appear to favor the offer of the Union.

This case is clearly one of minute hair splitting. It is clearly a case where both parties' offers are reasonable and subject to persuasive justification through application of the statutory factors with the emphasis and results varying ever so slightly in favor of one or the other. This arbitrator abhors the extremely unpleasant obligation of being required to split hairs in a case so balanced in equities as is present in this case.

Both parties also presented documentary evidence indicating the amount of increases that were gained by other groups of public employees in the Marshfield area. The record indicates that the street department employees and non represented employees received a 7 percent increase. The police department employees received an average settlement of 6.8 percent, with the higher classifications receiving an \$80.00 per month increase which amounted to a 7 to 7.4 percent increase. The Marshfield electric and water department employees received an 8 percent wage increase as did public school teachers. Again, such settlement figures are supportive of both positions. No equitable meaning can be drawn therefrom which would tend to favor the City over the Union or visa versa.

The record reveals that the City of Marshfield conducts a much more active ambulance service than does any of the other three municipalities. Such evidence also reveals that such service, while not totally self-sustaining, generates a substantial amount of income to the department.

After full and painful consideration of all the relevant statutory factors to the data and evidence supplied in this case, the undersigned is of the judgment that the Union offer is by the most minute margin, the most reasonable based on the combined evaluation of the applicable factors. The City's offer is less than it reasonably should be and the Union's offer is more than it reasonably should be. The hard choice arrived at by the undersigned is made on the basis of weighting the following considerations:

1. The tax base, ability to pay, average family earnings, and economic base are substantially equal to the comparable areas.
2. The cost-of-living consideration is equally favorable to both offers, depending on the approach and application one makes with such factor. Each of the applications is equally reasonable and meaningful.
3. Comparisons of increases granted to other public employees in the Marshfield area is also inconclusive. Such settlements ranged from under 7 percent to 8 percent. Both offers are equally substantiated on the basis of such factor.
4. The comparison of the offers of each party to the average of the increases granted to the other three comparables from the standpoint of a dollar or percentage increase is slightly favorable to the City's offer.
5. The comparison of the overall fringe benefits also indicates a slight favorability toward the City's offer.
6. The annual compensation comparison as depicted by the graph (Exhibit No. 1A) submitted by the Union favors the Union's proposal. Under the City's offer, the monthly rate would be \$1,065.00, or \$18.00 per month or 1.8 percent less than Stevens Point, which is the lowest of the three comparable communities. Under the Union's offer, the yearly average monthly rate would be \$1,075.00, \$8.00 per month less than that paid at Stevens Point.

The undersigned, in balancing out the above considerations and factors, is of the judgment that the evidence and record fairly establishes that no justification exists for the City of Marshfield to be at a rate lower than Stevens Point, the lowest of the three comparables. Although the end rate under the Union proposal would place Marshfield \$2.00 per month above the Stevens Point rate, the 1978 average monthly rate would be \$8.00 per month less.

In the judgment of the undersigned, the inequity of such differential is not equally offset by the slight difference in favor of the City's offer as shown by the fringe benefit overall comparison.

The two step increase offer of the Union is the least painful way to accomplish a catch up adjustment so as to reduce the annual total cost impact in the process.

In the final analysis, it therefore follows that the undersigned renders the following decision and

AWARD

That the Association's final offer be incorporated into and made a part of the Collective Bargaining Agreement for the year 1978.

Dated at Madison, Wisconsin, this 9th day of March, 1978.

Robert J. Mueller /s/
Robert J. Mueller
Arbitrator