

AUG 06 1986

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

\* \* \* \* \*  
 \* In the Matter of the Petition of \*  
 \* LA CROSSE NON-SUPERVISORY \*  
 \* POLICE ASSOCIATION \* Case 140  
 \* For Final and Binding Arbitration \* No. 35754 MIA-1021  
 \* Involving Law Enforcement Personnel \* Decision No. 23274-A  
 \* In the Employ of \*  
 \* CITY OF LA CROSSE \*  
 \* (POLICE DEPARTMENT) \*  
 \* \* \* \* \*

APPEARANCES:

On Behalf of the Association: James C. Birnbaum, Attorney  
 Jones and Flaherty, S. C.

On Behalf of the City: Jerome H. Rusch  
 Director of Personnel

I. BACKGROUND:

On October 7, 1985, the Union filed a petition with the Wisconsin Employment Relations Commission requesting the Commission to initiate final and binding arbitration pursuant to Sec. 111.77(3) of the Municipal Employment Relations Act, with regard to an impasse existing between the parties with respect to wages, hours and conditions of employment of non-supervisory law enforcement personnel for the year 1986. An informal investigation was conducted on October 29, 1985 and December 16, 1985 by a member of the Commission's staff. The investigator advised the Commission on January 27, 1986 that the parties were at impasse on the existing issues as outlined in their final offers. On February 7, 1986, the parties were ordered to select an Arbitrator. The undersigned was selected and was notified of his selection on February 19, 1986.

A hearing was scheduled and held April 14, 1986. Post hearing briefs were submitted and exchanged June 9, 1986. This award is based on the evidence submitted at the hearing, the parties' briefs and the relevant statutory criteria.

II. ISSUES:

There are three issues: wages, health insurance and retirement. On wages, the City is offering 2.5% across-the-board on all salaries effective January 1, 1986. The Union is requesting 2.5% effective January 1, 1986 and 2.5% effective July 1, 1986. With respect to retirement, both parties propose that the Employer pay the additional 1% employee contribution to Wisconsin Retirement. However, they differ on the effective date. The Union requests the contribution be effective January 1, 1986. The Employer wants it to be effective July 1, 1986. The Union also proposes that the City pay each month all but \$8.00 of the cost of health insurance and a "medical A & B carve out."

### III. ARGUMENTS OF THE PARTIES:

#### A. Wages

##### 1. The Union

The first area of argument addressed by the Union is external comparables. They look at the following cities as comparable: Appleton, Beloit, Eau Claire, Green Bay, Kenosha, Janesville, Madison, Oshkosh, Racine and Wausau. Based on the wage data available they contend the La Crosse police officers are the lowest paid of any comparable police officers in the State of Wisconsin and that the offer of the Union will not alter that relative position. Even the Union's 1986 offer is lower than the 1985 rates in most of the cities. When these cities negotiate 1986 rates they will fall farther behind. Thus, even accepting the Union offer, very little progress if any will be made. The Union offer can more accurately be characterized as one which prevents further erosion in their relative position. To accept the City offer, however, will erode further their last place position.

The Union doesn't believe there is any justification for this erosion. They do note that the City attempts to justify the lower wages based on the assertion that La Crosse is a low-wage area. However, they don't believe this is true. First, the figures used by the City for justifying that statement are wages for production workers alone. Given the higher emphasis in La Crosse to retail trade versus production, using production figures does not accurately reflect the overall position of La Crosse in the marketplace. This is based on the testimony of an economist familiar with the local area. Additionally, La Crosse's private sector truck drivers, brewery workers, etc., do not earn lower wages than comparable workers in the comparable cities. Therefore, the City's argument that La Crosse is generally a low wage area is not accurate. Moreover, the wage rates and scales for other City of La Crosse public employees do not reflect it to be a low wage area compared to other cities. They submit no other City of La Crosse employee is the lowest paid among the comparables and that some positions are among the highest paid in the comparables.

The Union also bases some of their argument on internal comparables. In this regard, they look at what other employees within the employer's unit are paid as compared to the skill, effort and responsibility required. For instance, a mechanic employed by the City of La Crosse in Local 180, SIEU, in 1986 will be paid \$10.76 per hour. This employee works a 40 hour week, has virtually no exposure to liability and has little exposure to physical danger. Likewise, the City of LaCrosse bus operators in 1986 will be paid \$10.27 per hour. Those 1986 rates will be increased on an absolute cost-of-living escalator giving an additional wage increase of \$.01 for every .3 rise in the CPI. Bus operators in the City of La Crosse only drive buses. Bus servicemen (those individuals who only wash buses) in 1986 will be paid \$9.96 per hour plus the same cost-of-living escalator. Also in terms of internal comparables, they note that the City's offer is 2.5% while the cost of their offer to the employer is 3.75%. Local 180, SIEU, the largest collective bargaining unit of the City of La Crosse, provides for a 1986 wage increase of 4%. In addition, that 4% wage increase is in addition to a longevity provision which can range for each individual employee anywhere from 2% to 6% on the wage rate. Even in La Crosse County, there is no unit anywhere that has made an offer of a wage increase as low as 2.5%.

The Union also relies on the cost of living criteria. Relying again on the economist's testimony, they note that with respect to the take-home pay of police officers in La Crosse, since 1980 the police officers have experienced a 3.3% decrease in the amount of money they are able to take home. Thus, the

wage offer of the Union merely seeks to keep pace with what the cost-of-living is anticipated to do this year and is not intended to even make up the serious erosion of the real wage and purchasing power of the police officers in the City. They project the cost-of-living is projected to run between 3.5% and 4% for calendar year 1986. On the other hand, if the City's offer were accepted, the police officers of the City of La Crosse will experience an additional 1% decrease in their overall purchasing power, take-home pay and real wage.

## 2. The Employer

The Employer first questions the appropriateness of the Union's comparables. The Employer does not believe they are consistent. Additionally, they question the validity of the Union's wage data since it is not current and discusses settlements in the first 6 months of 1985, obviously only with economic data available at that time.

The Employer also addresses the cost of living criteria. First, they note that the latest cost-of-living data shows a 3% increase from February 1985 to February 1986 and an overall downward trend in the CPI since the previous month. Thus, the City's final offer of 2.5% on salary and 1% pickup of WRF on July 1, 1986, is exactly 3% and complies most closely with the factors to be considered. The Union's request is a 5% salary adjustment, a .8% health insurance adjustment and a 1% retirement cost for a 6.8% boost over 1985 levels. Even if the cost impact of a 2.5% mid-year increase is estimated at 1.25% for the year, the cost impact of 5.55% is substantially higher than warranted by the 3% CPI. With respect to the Union's cost of living argument, they assert it is also quite possible that many wage earners would indicate real wage losses using a 1967 base of 100. Therefore, they maintain no useful data is provided in the Union's exhibits to make the wage loss a convincing argument.

The City uses the following cities for external comparisons because they were used in other arbitration proceedings and generally have been established as comparison cities for a number of years most recently in the Transit Arbitration of February 28, 1986: Beloit, Oshkosh, Appleton, Fond du Lac, Eau Claire and Sheboygan. They acknowledge that La Crosse is to have been at the bottom of the array of seven cities for the past 5 years when comparing the top of the patrol range. However, neither the City's Final offer or the Union's final offer will change that position. However, this is understandable since production workers in the comparison cities also show La Crosse to be at the bottom of the list. Although there may be persons in higher paying jobs in the area, Union testimony admits that police offer recruits would come for this blue collar segment of the economy and in fact City Exhibit #14, Five Year Turnover Summary, shows very few quits during that period. Only 21 jobs were available in five years and this includes all uniformed department personnel indicating a high degree of job satisfaction as well as a competitive wage.

The City also believes factor (e) (ability to pay) is relevant. In this respect, they present a letter from the office of the Secretary of the Treasury. The first paragraph says September 30, 1986, is the last entitlement period of the 1983 renewal of the Revenue Sharing Program. In testimony, the City indicated this would mean that almost 1 million dollars now received by the City of La Crosse would no longer be available and the local taxpayers would need to make up the difference. The loss of revenue sharing funds as well as other federal and state cutbacks will have a traumatic impact on City taxpayers. Early estimates are in the 30% increase area even if the spending remains constant. Obviously, it is not in the best interests of the City to offer above average wage and benefit packages to its employees especially when there are no extenuating circumstances to justify such increases.

## B.. Retirement

### 1. The Union

In terms of external comparables, the Union submits that there is not one public employer engaged in collective bargaining in the State of Wisconsin who has not agreed to pay the additional 1% contribution for its employees effective January 1, 1986. In addition, with respect to the internal comparisons, in the SIEU Local 180 contract, the City agreed to pay the additional 1% effective January 1, 1986. The same is true for Local 519, Amalgamated Transit Workers of America, AFL-CIO. Therefore, in examining comparables there is not one collective bargaining agreement voluntarily agreed to or arbitrated which supports the City's position of deferring payment on the pension contribution to July 1, 1986.

Next, they argue that combining the unreasonable wage position of the City with the deferral of the wage payment actually operates to reduce the wages of the police officers for the City of La Crosse. Therefore, the effective wage rate for the police officers during the first six months of the contract would be only 1%. The total contract wage increase, if in fact the pension is deferred, would be only 2%.

### 2. The Employer

The Employer notes that effective January 1, 1986, an additional benefit adjustment was ordered by statute. The legislation did not provide for an automatic pick up of the increased cost by the employer, but did authorize the employer to pay all or a portion of the 1% contribution. The City asserts that a total of 19.7% is levied for social security, retirement, etc. for each gross dollar earned; 1% of which is contributed at this time by the employee. The City offers to pick up that 1% on July 1, 1986 so that the cost for 1986 will be 1/2% and the total cost of the package without consideration for roll ups would be 3%. Accordingly, their argument implies on a total package basis the Union is asking for too much.

## C. Health Insurance

### 1. The Union

In the opinion of the Union, health insurance is not in reality an issue before this Arbitrator. It is their position, the health insurance proposal of both the City and the Union is nothing more than a confirmation of the existing terms of the collective bargaining agreement. It is no different than including a term in the Union's offer of all other contract provisions remaining the same. The only purpose of including that article was for clarification purposes.

They believe the record supports the fact that the existing contract for calendar 1985 contains both the medicare and medicaid roll up language as well as the obligation on the City's part to pay "all but \$8."

When the issue came up as to whether the City was obligated to make that payment, the Union timely grieved the matter and that matter is currently pending before an arbitrator. Therefore, the Union asserts both parties are in agreement with respect to this issue but this issue is not appropriately a matter to be decided by the Arbitrator because the parties are not at impasse on this issue. In other words, in the Union's opinion, the issue is not appropriately the subject of the Arbitrator's award nor should a health insurance increase be calculated as an increase in this contract term.

## 2. The Employer

First, the Employer notes that when exhibits were presented, the Union attempted to persuade the Arbitrator that the "all but \$8.00" cost should not be calculated in the cost of the final offer because it already is authorized by the previous expired agreement. The merits of that grievance must remain a separate matter and should not be considered at this time. The cost should be considered in that it was introduced as a final offer item. All previous agreements with this unit listed a dollar amount to be paid by the City. Additionally, the City submits, there appears to be some uncertainty on the Union's account as to whether or not their argument holds water. The City's position is that the \$16.00 per month increase should be viewed as a cost in this arbitration and as such has calculated it accordingly.

## IV. DISCUSSION AND OPINION:

After a review of the record, it is the conclusion of the Arbitrator that on the issues of wages and retirement the statutory criteria as a whole support the Union's offer.

Probably the most important criteria is factor (d) which commonly encompasses internal and external comparables. Both the internal and external comparables clearly support the Union on these two issues.

Internally, the Union's offer is more consistent with the settlement the Employer negotiated with other employees. Even though the Local 180 settlement for 1986 is the 2nd year of a two-year agreement, it cannot be totally discounted. Economic conditions have not changed dramatically in the last year or two. Moreover, the settlement yields a 4% increase in rates at a 4% wage cost to the Employer not including the 1% retirement effective January 1, 1986. This compares to the 5% lift and 3.75% cost of the Union's offer plus retirement. In addition, the Local 519, Amalgamated Transit contract provides that the transit operators shall receive actual cost of living (3.5% to 4%) plus 1% retirement effective January 1, 1986, plus an increase in health insurance effective January 1, 1986. Additionally, it is noted the Employer did attempt to bring into question their ability to pay. However, the evidence on this point is not thoroughly convincing and obviously countered to some extent by the other settlements.

In terms of external comparables, there is not much data to demonstrate how much of an increase in 1986 is being received by the employees of comparable employers. As best can be determined from this record, only one of the six cities (Oshkosh) that the Arbitrator finds comparable<sup>1</sup>, had a settlement at the time of the hearing covering all of 1986. Eau Claire's settlement expires in July 1986. Even in the case of Oshkosh, the data is insufficient to calculate a wage increase between 1985 and 1986.

Even though wage increase data for 1986 is not available, wage levels under the Union's offer for 1986 will still be substantially behind the comparables even if no increase over 1985 rates is granted in those cities, which is highly unlikely. Even accepting the Employer's data, which is at variance with some of the Union's data for certain cities, the monthly rate for the top patrolman under the Union's offer in

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1. Beloit, Appleton, Oshkosh, Fond du Lac, Sheboygan, Eau Claire

in 1986 will be \$1807/month or approximately \$175 less per month or \$2100 less per year than the average in 1985. It will also be \$140 less per month than Eau Claire, probably the most comparable of the comparables. This is in addition to the fact all the comparables pay the additional 1% retirement. Even assuming, for the sake of argument, that La Crosse is a "low wage" area, the additional disparity under the Employer's offer is too great to be justified.


With respect to the cost of living, the current data tends to favor the Employer slightly while the long term favors the employees with the same force. Thus, this criteria cannot outweigh the comparability factor.

Lastly, with respect to the health insurance issue, the parties are at great odds over the meaning, effect and cost, if any, of the Union's proposal. Even if this is resolved in favor of the Employer, it would not outweigh the Arbitrator's preference for the Union's offer on the two other issues combined.

In summary, the Union's offer is more reasonable because (1) it results in a wage level in 1986 that is still substantially below 1985 wage levels in comparable cities; (2) it is more consistent with the wage increases in the internal comparables and (3) it is most consistent with the internal and external comparables on the retirement issue. These considerations outweigh any possible preference for the employers offer on the health insurance issue.

AWARD

The 1986 Labor Agreement of the Parties  
Shall Include the Final Offer of the Union.



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Gil Vernon, Arbitrator

Dated this 4<sup>th</sup> day of August, 1986, at Eau Claire, Wisconsin.