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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

Arbitration \*  
of \*  
VILLAGE OF WAUNAKEE \*  
(POLICE DEPARTMENT) \*  
and \*  
TEAMSTERS UNION LOCAL 695 \*  
re \*  
WERC Case 10 No. 50304 \*  
MIA-1866 \*  
\* \* \* \* \*

**ARBITRATION AWARD**

Decision No. 28097-A

**ISSUE**

The remaining issue in this dispute is the wage increase for 1994 and 1995. The Village of Waunakee proposes a four percent (4%) increase for each year while Teamsters Union Local 695 proposes a five percent (5%) increase for each year.

**INTRODUCTION**

Teamsters Union Local 695, hereinafter called the Union, petitioned for final offer arbitration under Wisconsin Statutes 111.77 on December 30, 1993 in order to resolve its dispute with the Village of Waunakee (Police Department), hereinafter called the Village or the Employer. After investigation by a WERC staff member on June 8, 1994, the Commission was advised on June 17, 1994 that an impasse had been reached and ordered arbitration on June 28, 1994. The parties notified the WERC that it had selected the undersigned from the panel submitted to it by the WERC and the WERC appointed him arbitrator on September 22, 1994.

A hearing was held by the arbitrator on October 18, 1994 and post-hearing briefs were exchanged on November 21, 1994. Appearing for the Village was Mark Hazelbacker, Attorney, of Axley Brynelson; appearing for the Union was Marianne Goldstein Robbins, Attorney, of Previant, Goldberg, Uelmen, Gratz, Miller and Brueggeman.

**BACKGROUND**

The parties reached agreement on all issues except wages for each of the two years of the Agreement running from January 1, 1994 through December 31, 1995. In November, 1993, the parties had received an arbitration award setting wages for 1991 and 1992. In that dispute the arbitrator chose the Village final offer providing for 5% increases each year in preference to the Union proposal of 7% each year. Based on the information provided by the parties, that arbitrator selected as comparables, eight communities, four of which were similar in size to Waunakee and four of which were larger. The similar size communities are DeForest, McFarland, Oregon and Verona; the larger ones are Middleton, Monona, Stoughton and Sun Prairie.

In the previous dispute, as in this one, the Union argues that the combination of a residency requirement and high housing prices in Waunakee justify a higher increase in wages than would be warranted by a simple comparison of wage increases granted in comparable communities. The Union argues that the external comparables show that the Village is below the average of the comparables. The Village notes that although this is true, the Village has historically been below the average of those comparables and that no justification has been provided for a catch-up wage increase.

The Village notes that a review of the internal comparables, i.e., other employee groups of the Village, shows that all other employees received the same increase as that provided for in the Village final offer. The Union makes no reference to internal comparables.

The Village notes that its offer of 4% per year exceeds the rise in the consumer price index, measured by any of the standard government indexes, by about 50%. The Union argues that the increase in housing prices in the rapidly

growing Village justify an increase in wages that will help meet the high cost of housing. In support of its position the Union states that Village housing prices exceed those of most of the comparables. Its Exhibit 13 ranks the Village third highest of nine comparables in housing prices.

Using the maximum annual salary as a bench mark, the Village ranked second in January, 1993 among the five smaller external comparables and about \$3000 per year less than the average of the four larger external comparables (Un. Ex. 10). The 5% increase in 1993 provided by the previous arbitration appears to exceed the increase gained by most of the comparables (See Un. Ex. 9). Evaluations of the 1994 wage increases of the comparables with those proposed by the Union and the Village will be difficult because most of the comparables provided for two step wage increases in order to increase the end of year lift without paying the higher wage for the entire year. Also, two comparables (Oregon and Stoughton) restructured their salary schedules.

Data on total compensation were supplied showing that the Village benefits were similar to those of the comparables. Neither the Village nor the Union contended that there were benefit deficiencies or advantages that the arbitrator should take into account. The Union cited one restriction, however, that it deemed important. It noted that only Waunakee had a strict residency requirement forcing employees to live within the community (Un. Ex. 12)

Both the Employer and the Union furnished Department of Revenue data showing population, full asset values and taxes paid (Un.8 & Er. 7). However, neither party used these data to argue relative ability to pay.

#### DISCUSSION

External Comparables: The arbitrator turns first to the analysis of external comparables because 111.77 (6)d,(1) of the statutes is one of the statutory

factors to which the arbitrator must give weight and because of the importance given these comparisons by the Employer and the Union. Because Sun Prairie has not settled for '94 or '95, the arbitrator added Fitchburg to the comparables used in the previous arbitration and deleted Sun Prairie. This substitution maintains the use of four smaller comparables and four larger ones as was the case in the previous arbitration.

The arbitrator was struck by the fact that Waunakee was more like the smaller comparables in population and size of police force than like the bigger ones. The following table based on Union Exhibits 6 and 7 shows that the average population and police force of the larger comparables are more than twice as large than those of the smaller comparables.

TABLE 1 POPULATION & POLICE FORCE SIZE

<u>Community</u>	<u>Population</u>	<u>Number of Police</u>
DeForest	5363	7
McFarland	5506	5
Oregon	4519	6
Verona	5732	7
Average	5280	6.25
Waunakee	6661	6
Fitchburg	16254	15
Middleton	14160	16
Monona	8579	15
Stoughton	9323	15
Average	12079	15.25

Although the wage changes in all eight of the comparables listed above are important in comparing the wages of employees with those doing similar work in comparable communities, this arbitrator believes that a proper analysis involves two comparisons --- the first being how the relative position of Waunakee changes compared to the other small comparables and second, how the average position of these small comparables changes relative to the average change in the large comparables.

Clearly, the smaller comparables can not lag too far behind the larger comparables or employees will tend to leave the smaller comparables and seek employment with the larger comparables. Also, although not mentioned in either brief, or in the exhibits, both the large and small comparables recognize that the City of Madison is the major employer in their geographic area and what it does influences what they do. However, the most sensitive comparison is the relative position of Waunakee to the other smaller comparables. Put succinctly, how will Waunakee police fare under the Employer and Union proposals relative to the police of De Forest and Verona? These are the communities which, in 1993, had salaries closer to the Waunakee salary than the salaries of the other comparables.

In the following table, the arbitrator ranks and compares the comparables showing where they stood just prior to the start and at the end of the first and second years of the 1994-1995 Waunakee Agreement which is being arbitrated. The arbitrator recognizes that this table does not take into account that many of the comparables gave step increases generating greater increases without giving employees a greater total increase in the intervening year. For example, a 4% increase at the start of the year, as proposed by the Employer, yields almost the same additional income as a 3% increase at the start of the year and an

additional increase of 2% at mid year as provided for in the DeForest agreement for '94 and '95. However, in the following table the "lift" is shown rather than the value of the wage increase. The increases in wages are shown in Table 3.

**TABLE 2. SALARY COMPARISONS**

<u>Community</u>	<u>12/93 Salary (Rank)</u>	<u>12/94 Salary (Rank)</u>	<u>12/95 Salary (Rank)</u>
Middleton	\$ 31,322 (1)	\$ 32,742 (1)	Not Settled
Monona	\$ 30,960 (2)	\$ 32,292 (3)	\$ 33,588 (2)
Fitchburg	\$ 30,770 (3)	\$ 32,327 (2)	\$ 33,963 (1)
Stoughton	\$ 30,216 (4)	\$ 31,116 (4)	Not Settled
Verona	\$ 28,033 (5)	\$ 29,211 (5)	(U) \$ 30,437 (3) (E) \$ 30,379 (5)
DeForest	\$ 27,547 (6)	\$ 28,940 (6)	\$ 30,404 (4)
Wauakee	\$ 27,314 (7)	(U) \$ 28,680 (7) (E) \$ 28,407 (8)	(U) \$ 30,114 (6) (E) \$ 29,543 (7)
McFarland	\$ 26,213 (8)	\$ 27,272 (9)	\$ 28,652 (8)
Oregon	\$ 26,196 (9)	\$ 26,976 (10)	Not Settled

U = Union; E = Employer. Source - Un Ex. 10  
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The table shows that the ranking of Wauakee does not change under either offer. The arbitrator believes that the salary structure under the Union offer is slightly preferable because it prevents Wauakee from slipping further behind Verona and DeForest. At the end of '95, Verona and DeForest will be paying a maximum salary of about \$30,400. Under the Union offer Wauakee will be paying about \$300 less than this figure while under the Employer offer, it would be about \$850. Since Wauakee is the largest of the smaller comparables with a population that exceeds Verona and DeForest by about 1000 and has a tax base of \$247 million compared to Verona's \$216 million and DeForest's \$190 million, the arbitrator believes that, so far as salary structure is concerned, the Union

offer is preferable.

The Waunakee salary structure slips further behind many of the comparables because many of the comparables gave split semi-annual increases. These provide for greater lifts at the same cost as an annual increase. Table 2 shows the lifts. Table 3, below, shows the increase in salary over the life of the Agreement.

TABLE 3 1994 & 1995 SALARY INCREASES

Community	1994 increase		1995 Increase	
	\$	%	\$	%
Middleton	1096+192=\$1258 3.5%+1%		Not Settled	
Monona	624+354= \$ 978	2%+2%	\$1296	4%
Fitchburg	616+471= \$1087	2%+3%	647+495=\$1142	2%+3%
Stoughton	\$ 900	3%	Not Settled	
Verona*	\$1178	4.2%	(U) \$1227 4.2%	(E) \$1168 4.0%
DeForest	826+284= \$1110	3%+2%	868+298=\$1166	3%+2%
McFarland	525+267= \$ 792	2%+2%	546+417=\$ 963	2%+3%
Oregon**	786+390= \$1176	3%+3%	Not Settled	
<u>Average</u>	\$1060		\$1153	
Waunakee	(U) \$1366	5%	(U) \$1434	5%
	(E) \$1093	4%	(E) \$1136	4%

\* Although the Verona '94 salary is being arbitrated, the final offers of both parties are the same. Therefore two offers are not shown. In order to include Verona in compiling the average wage increase in 1995, the arbitrator used the average of the union and employer offers.

\*\* The first year Oregon increase is calculated on the basis of 3% of the maximum in the previous year because of the restructuring and is based on Union Exhibit 10.

Based on the wage increase data shown in Table 3, the Employer offer is clearly preferable to that of the Union. The Union offer gives the Village police officers an increase which is larger than the increase of any of the comparables.

The Union proposed increase of \$1366 in 1994 is also \$300 greater than the average increase while the Employer offer of an additional \$1093 in salary in 1994 is slightly above the average. Although three of the comparables granted a "lift" totalling five percent in 1994, no comparable community gave a five percent wage increase. The same general picture is true in 1995. The 1995 wage increase under the Union proposal is larger than the wage increase of any comparable and is \$281 greater than the average of the comparables that have settled. Under the Employer proposal, the wage increase would be \$17 less than the average.

Other Factors: 111.77(6)a through h. except d. Both offers provided for increases greater than the cost of living. The Employer offer, being less than the Union offer, is closer to the increase in the cost of living as measured by the government consumer price indexes.

The arbitrator recognizes that the police officers of the Village believe that their salaries should be increased because of the high cost of housing within the Village boundaries and the residency requirement obliging them to live in the Village. The arbitrator has considered this question under the "catch-all" factor (h.) but does not believe that the price of housing provides sufficient grounds to increase the salary structure. If the Union is to continue its attempts to be compensated for high housing costs it might consider alternatives such as relaxing the residency requirements slightly or persuading the Village to develop an innovative plan that will assist municipal employees in the purchase of a home.

The internal comparables support the Employer offer. The un-rebutted testimony indicated that the four percent increase applied to all employees. Even though external comparables are usually given greater weight by arbitrators



(including this arbitrator) in disputes involving police in small communities, it is noted that internal comparables lend greater support to the employer offer than to the Union offer.

No deficiencies in the Village total compensation package were cited by the Union as grounds for an above average wage increase. The remaining factors, Factors a, b, c, and g are not at issue in this dispute and need not be discussed.

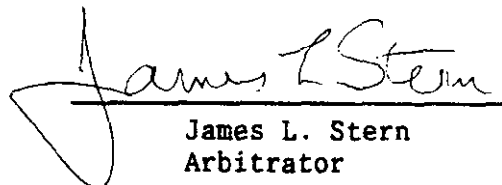
Summary: The arbitrator finds that, on the whole, the evidence supports the choice of the Employer offer. The major reason for that choice is that the five percent increases sought by the Union give the employees additional income that is far greater than the additional income gained by any of the comparables. Insufficient justification was provided for an increase that was larger than the increase received by any of the comparables and was about \$300 per year greater than the average of the comparables (See Table 3).

Given that many of the comparables have provided two step increases in order to give a greater lift to the ending salary, Waunakee may have to consider adopting the same strategy if it is to keep its structure in line with its comparables. Based on population and tax base, Waunakee should be at the top of the wage table comparing the smaller communities. In order to reach this ranking without incurring substantial costs, it appears that in future negotiations the parties may have to agree upon multi-step increases.

#### AWARD

For the reasons explained above, the arbitrator selects the final offer of the Employer and orders that it and the agreed upon stipulations be placed into effect.

12/21/94  
December 21, 1994

  
James L. Stern  
Arbitrator