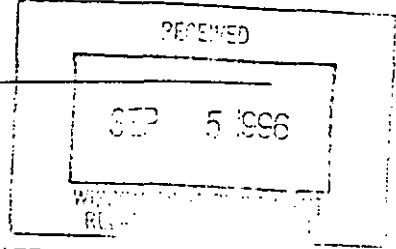


In the Matter of Arbitration Between :  
 MARSHFIELD POLICE OFFICER BARGAINING :  
 UNIT, WPPA/LEER :  
 and :  
 CITY OF MARSHFIELD :  
 (POLICE DEPARTMENT) :  
 WERC Case 113, No. 53443 MIA-2013 :



AWARD

Decision No. 28674-A

I. NATURE OF PROCEEDING. This is a proceeding in final and binding final offer arbitration pursuant to Section 111.77, Wisconsin Statutes. On December 6, 1995, the City of Marshfield Police Officer Bargaining Unit, WPPA/LEER, filed a petition with the Wisconsin Employment Relations Commission requesting the initiation of final and binding arbitration between the parties. An investigator for the Commission, David E. Shaw, conducted an investigation and concluded on February 5, 1996, that the parties were at an impasse. Final offers were submitted to WERC. The Commission concluded that the parties were at an impasse and ordered final and binding arbitration on March 18, 1996. The parties having selected the undersigned, Frank P. Zeidler, Milwaukee, Wisconsin, as arbitrator, the Commission thereafter appointed him by Order on April 22, 1996. A hearing was held at the Marshfield City Hall on June 18, 1996. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs and a Reply Brief from the City were submitted. The Reply Brief of the City was received August 16, 1996. The Association elected to stay with its original Brief.

II. APPEARANCES.

RICHARD T. LITTLE, Bargaining Consultant, and GARY WISBROCKER, Wisconsin Professional Police Association/Law Enforcement Employees Relations, represented the Association.

RUDER, WARE & MICHLER, S.C. by DEAN R. DIETRICH, Attorney, represented the City.

III. THE FINAL OFFERS. This is a matter in which there is but one issue, that of wages. The Association offer is:

"1. APPENDIX 'A' Increase in wages as follows:

January 1, 1996	2.0%
July 1, 1996	2.0%
January 1, 1997	2.0%
July 1, 1997	2.0%

"2. The tentative agreements reached by the parties on February 5, 1996, and attached hereto.

"3. All other terms and conditions would be renewed for the term of the new AGREEMENT with the duration of January 1, 1996, through December 31, 1997."

The City final offer is:

"The purpose of this letter is to submit the City of Marshfield's final offer regarding the Police bargaining unit wages. Our final offer for arbitration is a 3% increase for each year of the contract. \* two(2) year duration."

IV. FACTORS TO BE WEIGHED BY ARBITRATOR. Section 111.77 (6) of the Wisconsin Statutes reads,

"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 the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the 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 price 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."

Both parties presented exhibits and arguments related to the above criteria.

V. COSTING OF OFFERS. 28 employees are in the bargaining unit. They include 4 Detectives, 2 Corporals, and 22 Patrolmen (CX 7). There are 10 commanding officers. The following table shows costs of final offers.

Table I  
COSTING OF FINAL OFFERS

A. City Costing

	1995			1996			1997		
	\$	Union		City		Union		City	
			\$	%	\$	%	\$	%	\$
All Pay	994,538	1,033,390	4.0	1,023,677	3.0	1,073,796	4.0	1,053,689	3.0
Total Comp.	1,418,284	1,476,484	3.94	1,463,794	3.11	1,537,233	3.95	1,510,964	3.12

(CX 11,12)

B. Association Costing of Wages and Package

	1995			1996			1997		
	\$	Assn.		City		Assn.		City	
			\$	%	\$	%	\$	%	\$
Base Wages	891,114	918,050	3.02	917,779 <sup>1</sup>	3.0	955,094	4.04	945,568	3.03
Total Comp.	1,359,895	1,397,398	2.76	1,397,033 <sup>2</sup>	2.73	1,448,265	3.64	1,435,405 <sup>3</sup>	2.75
Dollar Inc.		37,502		37,132 <sup>2</sup>		50,868		38,371 <sup>3</sup>	

1. Actual figure - \$917,779.20
2. Actual figure - \$ 37,132.27
3. Actual figure - \$ 38,371.97

(AX 56-66)

Employer costings includes school credits, acting shift commander pay; uniform allowance not included in the Association costing. In addition Employer costing and Association costing vary on the same items, e.g. wages (1996 Association - \$918,049.60; 1996 City - \$924,825). The parties did not address these discrepancies in totals. The City's costing in dollars is more inclusive, and therefore close to the probable costs of either offer.

VI. COMPARABLE GOVERNMENTAL UNITS. Both parties use the same list of comparables in a group of contiguous counties: Marathon, Wood, and Portage Counties, and the Cities of Wausau, Stevens Point, Wisconsin Rapids and Marshfield. The cities were considered comparable by Arbitrator James Stern in an Award in 1974. Arbitrator Imes is reported as having considered the cities and counties as comparables, and Arbitrator Frederick Kessler held them as comparables in Case 90, No. 45165, MIA 1588, Dec. No. 27038-A (1992). The following table presents some data on these comparables which the City finds not fully to its liking, because of disparity of population and property valuation.

Table II

POPULATION, 1995 EQUALIZED VALUATION, 1993 ADJUSTED  
GROSS INCOME PER TAX RETURN, NET PROPERTY TAX RATE, 1994

	<u>1994 Pop.</u> <u>(000)</u>	<u>Eq. Val.</u> <u>(000,000)</u>	<u>A.G. Income</u>	<u>Prop. Tax Rate</u>
Marshfield	19.7	545.6	\$28,874	\$33.39
Stevens Point	23.5	724.8	23,980	32.85
Wausau	38.4	1,268.8	28,618	33.11
Wisconsin Rapids	18.5	574.2	25,122	33.37
Marathon Co.	120.2	3,685.1 <sup>(1)</sup>	28,674	
Portage Co.	64.3	2,096.6	27,508	
Wood Co.	76.2	2,187.1	28,674	

(1) 1994 Full Value of Taxable Property

(Assn. Ex. 10, City Exs. 16, 17,  
18, 19)

The City says it is reluctantly agreeing that the above list of cities and counties is a comparable pool to be used in resolving the dispute because of previous arbitrations, but holds that the City of Marshfield is not truly comparable either to the cities or counties, and this should be considered in selecting a final offer.

Discussion. The comparison pool consists of cities and counties in the same geographical area. This pool, however, can be separated into primary comparables, namely cities, and secondary comparables, counties, because of taxable resources, and because the function of Deputy Sheriffs is somewhat different than that of municipal patrol officers. However the primary reason for distinguishing primary and secondary comparables is that of tax base.

A question arises as to whether Wausau, because of its population of approximately 38,400, or about double that of Marshfield, should be excluded from a pool of primary comparables. The arbitrator here holds that while generally large municipalities pay higher wages and salaries, the differences between them and smaller communities for the same work does not reflect the ratio of population numbers. Generally the pay for the same kind of work is quite close, so the arbitrator here sees no strong argument to exclude Wausau from a primary pool of comparables, it being in the same geographic and economic area.

**VII. LAWFUL AUTHORITY.** There is no question here as to the lawful authority of the City of Marshfield to meet the terms of either offer.

**VIII. STIPULATIONS.** All other matters have been stipulated to by the parties.

**IX. WAGE COMPARISONS AMONG COMPARABLES.** The parties have calculated hourly wage rates apparently by multiplying the monthly rates found in contracts by twelve to get an annual total and dividing that total by annual hours worked. However the parties disagree on annual total hours worked. The Association

Exhibit 26 listed annual hours worked by the employees of the various jurisdictions and used these annual hours as a basis for determining hourly wages. The City in its Reply Brief reported it had ascertained from the responsible officials of various jurisdictions the annual hours worked, and supplied in its Reply Brief two tables with hours worked and what the hourly wages would therefore be. Abstractions of information from the differing reports are shown in the next three tables.

**Table III**

HOURS OF WORK COMPARISONS -  
ASSOCIATION AND CITY REPORTS

	<u>Association</u>	<u>City</u>
<u>Primary Comparables</u>		
Stevens Point	2084	2084
Wausau	2007	2053
Wisconsin Rapids	2050	2043
Marshfield	2067	2045
<u>Secondary Comparables</u>		
Marathon Co.	2048	2048
Portage Co.	2088	2088
Wood Co.	2086	2080

(AX. 26, CRB-A)

Major differences are those found in the annual hours worked of Wausau and Marshfield.

**Table IV**

1996 HOURLY BASE RATE COMPARISON - TOP PATROL/DEPUTY,  
ASSOCIATION AND CITY REPORTED, RATES, ALL COMPARABLES

	<u>Association</u>	<u>City</u>
Stevens Point	16.54	16.58
Wausau	17.50	17.11
Wisconsin Rapids	17.12	17.17
Marathon Co.	17.26	17.52
Portage Co.	16.16	NS
Wood Co.	16.64	16.64
Average w/o Marshfield	16.87	17.00
Marshfield		
Association	16.00	16.27
Diff.	.87	.73
City	15.84	16.11
Diff.	1.03	.89

(AX. 38, CRB-A)

Table V

1996 HOURLY BASE RATE COMPARISON - TOP PATROL  
ASSOCIATION AND CITY REPORTED TOP RATES,  
PRIMARY COMPARABLES

	<u>Association</u>	<u>City</u>
Stevens Point	16.54	16.58
Wausau	17.50	17.11
Wisconsin Rapids	17.12	17.17
Average	17.05	16.95
Marshfield		
City	15.84	16.11
Association 1/1		15.95
7/1	16.00	16.27

(AX 38, CRB-B)

Association Exhibits from 27 through 95 make hourly rate comparisons from 1985 through 1995. They show that in each year, Marshfield was 7th in wage rate in a list of seven comparables. In 1996 Marshfield under either the Association or City calculations of the hourly rate, Marshfield will continue to be 7th in rank. According to Association calculations the 1985 difference between the Marshfield rate and the average rate was \$0.55. By 1987 the difference had increased to \$0.70 but dropped to \$0.65 in 1988. In 1989 the difference between Marshfield and the average rose to \$1.01, reached \$1.15 in 1992, and by 1994 it had dropped back to \$0.90. As noted earlier, the 1995 difference was \$0.83.

In Exhibit 39, the Association under its calculations, shows a dollar increase for 1996 for Marshfield under its offer of \$0.62 and under the City offer of \$0.46. However if the City's calculations are more accurate as to the wage levels, then the Association offer would provide a 1996 increase of \$0.89 and the City offer of \$0.73. Under the Association calculations the Marshfield City offer would be lowest among comparables where the Marathon County increase is highest at \$1.19. Under the City's calculations, the increase in Marshfield would be second highest whether the City offer is taken or the Association offer.

Recognizing that the complete accuracy of Association exhibits dealing with hourly rates and therefore dollar and percentage increases is under challenge from the City's contention that the Association method of calculation is in error, because of incorrect use of annual hours, the arbitrator here nevertheless summarizes what the Association is reporting in some of its exhibits. In Exhibit 40 the Association reports that in Marathon County there was a general across-the-board (ATB) raise of 3.0% plus adding a new step for Deputy and one for Detective. Wisconsin Rapids offered 3.0% ATB also. Stevens Point set 3.50% ATB. In Portage where negotiations are in progress, both parties begin

with 3.50% ATB except for differing provisions for Jailers. In Wausau a split wage arrangement offers first 3.0% and at the half year another 1.0%. Wood County offers \$0.50 ATB. Marshfield City offers 3.0% ATB, and the Association proposes a split wage of 2.0% ATB and then another 2.0% ATB at the half year. Among the primary comparables other than Marshfield, two have a higher rate than that proposed by the City of Marshfield and one the same rate. The Association offer results in a higher lift at 4.0%, but an average percentage of 3.50%.

According to Association Exhibit 41 it takes a Marshfield Officer three years to reach the top of the wage scale. In Stevens Point the top is reached in one year and in Wausau and Wisconsin Rapids the top is reached in 15 years. According to Association calculations at three years under the Association offer the Marshfield Police Officer would receive an hourly rate of \$16.00. The Stevens Point rate would be \$16.54, the Wausau rate \$16.03 and the Wisconsin Rapids rate \$16.62. The average for all comparables would be \$16.33.

Information from City Exhibits 31 to 33 is summarized in the following table.

Table VI

MAXIMUM HOURLY WAGE COMPARISONS, MARSHFIELD AND  
PRIMARY AND SECONDARY COMPARABLES

City	Union EE's		<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Stevens Point	36	1/1	14.71	15.53	16.01	
		7/1	15.01			
Wausau	42		14.86 <sup>(1)</sup>	16.23	16.89 <sup>(2)</sup>	
Wisconsin Rapids	32		15.90	16.38	16.87	
Marshfield	28	1/1	14.28	1/1 15.08		
		8/1	14.64	8/1 15.38		
City					15.84	16.32
Assn.					1/1 15.69	1/1 16.32
					7/1 16.00	7/1 16.85

(1) 3 Classifications created

(2) New step added

Association Position on Wages Summarized. The Association notes that in its ten year summary of Marshfield Police Officer wages, the wages are the absolute lowest. The Association offer of catch-up only serves to slow the fall of base wages when compared to the total of the comparables. The Association notes that under its calculations the City offer will result in a drop for 1996 to \$1.03 an hour below the average of comparables. This should be halted. The Association offer in both dollar and percentage increase follows a pattern of settlement in comparable departments, while the City offer will result in the absolute lowest dollar and percentage increase. The Association also notes that its calculations on rates per hour does not include other types of benefits such as longevity payments. They represent base wages only.

The Association notes that even with the lift in its offer, the Marshfield wages are constantly behind their comparables. The Association notes that there are not enough offers in comparables to make a 1997 comparison, but the Association offer is not out of line of other increases being provided enforcement officers in the State.

City Position on Wages Summarized. The City disputes the main calculations of the Association on base wages, holding that the Association did not have correct figures on annual working hours from which to make its calculations. Thus the claim that the hourly wages of the Marshfield Officers will fall to a \$1.03 difference between the average of all comparables is incorrect. Under the City's calculation this figure will be \$0.89. However the proper comparison should be made not between cities and counties together but cities only as primary comparables. In this case the difference would be \$0.84. However with respect to Wausau and Wisconsin Rapids, it takes a Police Officer 15 years to reach the top wage rate and in Marshfield only three years. Thus the City of Marshfield provides a greater benefit than all of the cities in the comparable pool other than Stevens Point.

The City notes that Association Exhibits 27-37 do not reflect correct wage rates for Marshfield Police Officers. However the exhibits may be considered with respect to general increase or decrease patterns. Marshfield wage rates have historically risen and fallen when compared to the average wage rate of Officers in the comparable pool. The average lag over 11 years has been \$0.88, and now it will be \$0.89. The lag in the average of cities is \$0.84. Thus the City's offer duplicates the historic differences. This is consistent with the City's historical relationship with the comparables.

The City further says that its wage offer is consistent with external wage settlements in dollar increase and percentage increase. The City notes that Marathon County, the City of Wisconsin Rapids, Wood County have settled at 3.00% increases, as is found in the City offer. Stevens Point has settled at 3.00% and Wausau at 3.00% on January 1 and 1% on July 1, all for 1996. The Association offer reaching a 4.00% lift is unique, and is not comparable. There is no evidence that in the future there will be a settlement by any of the comparables of a split wage level of 2% - 2%.

The City also says that the use of the maximum Top Patrol/Top Deputy wage rates presents the wage rates of the Marshfield Officers in an unfair light, because they progress on the schedule more quickly than Officers in other jurisdictions. In Marshfield the Officer reaches the top of the schedule in three years, while in Wausau and Wisconsin Rapids the top is reached only after 15 years, and in Marathon County after 12 years. The City also says that Association Exhibit 43, listing 39 communities, does not confirm that the Association offer is in line, since only seven communities have settled for a 2% - 2% settlement pattern.



Discussion. Whether the City's or Association's calculations are most accurate, the evidence is that the hourly wage and base rates in Marshfield have lagged behind the comparables over a decade. The issue involves whether this lagging is justified on the basis of voluntary settlements in the past in which parties agreed to this position, whether the arbitrator should recognize this as an historical given, or whether it reflects that economic condition of the City of Marshfield in comparison with the other comparables. The arbitrator is of the opinion that the work and responsibilities of Marshfield Patrol Officers is sufficiently like that of the other primary comparables so that a difference of at least a \$0.84 at top rate ought not to exist.

While within the first three years the Marshfield rate is competitive, yet in the longer run it is not. Thus there is clearly a need for a catch-up. The percentage increases, if applied as in the past, will likely increase the spread between the Marshfield wage level and that of other comparables, and a catch-up demand will continue to surface.

The Association offer of a split wage for two years increasing the lift without in the first year producing too significant an increase in dollar amounts for the annual wage is a less drastic way of effecting a catch-up than a straight 4% demand for each year. The lift effected is thus modest in percentage. The arbitrator here is of the opinion that the Association offer on base wages meets the test of comparability better than does the City offer. The dollar lag here and need for catch-up is considered more significant than percentage changes in wage rates.

X. **INTERNAL WAGE COMPARISONS.** The City in its Exhibit 38 showed the following internal settlement pattern.

Table VII

MARSHFIELD INTERNAL SETTLEMENT PATTERNS

	<u>1996</u>	<u>1997</u>	<u>1998</u>
DPW	3%	3%	3%
City Hall	3%	3%	3%
Firefighters	Not Settled		
Wastewater	Not Settled	- City proposed same as other units	
Ordinance Enforcement/ Dispatcher	3%	3%	3%

The following table is abstracted from City Exhibit 68 on the comparison of positions in Marshfield with similar positions in the total comparables. The exhibit did not show 1996 pay rates, but with the testimony that a 3% settlement was generally achieved with other bargaining units, the arbitrator has multiplied the 1995 rates by 1.03 to get the 1996 Marshfield rates.

Table VIII

MARSHFIELD EMPLOYEE WAGES AND RANK  
AMONG TOTAL COMPARABLES WHERE POSITION EXISTS

<u>Position</u>	<u>1995</u>		<u>1996</u>	
	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>
Clerk	10.50	4/6	10.81	4/6
Secretary	10.50	5/7	10.81	6/7
Acct.Clerk	10.50	5/6	10.81	5/6
Dep.Treas/Treas	10.50	7/7	10.81	7/7

City Position on Internal Settlements. The City is holding that the City offer to the Patrol Officers is reasonable and consistent with internal settlements. The City increase over two years amounts to a 6% increase as compared to the Association offer which would come to an 8% increase. The City offer, however, is wholly supported by the internal wage settlements. The City in its Brief quotes arbitral judgment extensively to the effect that internal settlements have governed the decisions in many cases. A break in the internal pattern will lead to a destructive effect on collective bargaining when groups who have settled according to an internal pattern have seen that those who did not settle gained an advantage. This will undercut voluntary collective bargaining. Arbitrators also give special weight when there is a history of different bargaining units under one employer settling, and this giving weight to internal settlements exists whether the employee groups included firefighting or law enforcement personnel.

The City's settlement here with other bargaining units for 1996 and 1997 supports the adoption of its wage offers. All of the other units voluntarily agreed to the same wage increase, and the Wastewater employees are close to agreeing to the same percentage increases.

The City says its longstanding practice of uniformity should not be interrupted because, if it is, other units will not follow a voluntary settlement pattern in the future and labor management relations in the City will be destroyed.

The City further holds that its final offer reflects what the parties would have likely settled at if they had reached an agreement, and cites arbitrators to the effect that this is an important consideration.

The City further holds that there is no justifiable reason to stray from the internal settlement pattern. The City says that the argument of the Association that the Police Officers are paid less than their counterparts is overlooking the fact that all Marshfield employees are paid less than their counterparts in other cities. Further catch-up is not justified unless there is shown a need for catch-up, and here the Association has not shown any need for a catch-up, because there is no high turnover in the department and no recruiting problems. The City emphasizes that the average length of employment in the department is 12.32 years. Fifteen officers have been working for more than twelve years, and in the last five years only four persons have been recruited.

The City objects to the position of the Association that the internal settlement pattern of the City should be disregarded. The record shows, especially City Exhibit 68, that the disparity of the other employees in Marshfield with their counterparts in the comparables is far greater than in the case of the Police Officer disparity. The City in its Reply Brief cited four arbitrator decisions in which arbitrators gave weight to the internal settlement pattern even if there was a general decline with respect to external comparisons for the particular bargaining unit in question.

Association Position on Internal Comparables. The essential position of the Association is that external comparables should be considered primary comparables in these proceedings. Although arbitrators do give weight to internal settlements, recent arbitral opinion indicates they should be given only limited weight, especially in the case of law enforcement officials whose work is significantly different from that of white collar employees. The record of the City on internal settlements has not established that such settlements controlled the final consideration of bargaining. To rely solely on internal settlements in effect nullifies the other factors to be weighed in arbitration. The Association is contending that the City has not referred to how these internal units compare to their external counterparts.

Discussion. Given the requirement of comparing internal settlements within a governmental unit as a factor to be weighed in arbitration, the evidence here is that the City offer percentagewise is comparable to other internal settlements made in the City. The weight to be ascribed to this criterion will be discussed in the summary of all findings on the various criteria.

**XI. COST OF LIVING.** Association Exhibit No. 67 showed that the annual change in percent of the Consumer Price Indexes in December 1995 from the previous year for Nonmetro Areas was 3.0%. For Small Metro Areas it was 2.8% and for the United States it was 2.4%. This is the index for Urban Wage Earners and Clerical Workers (CPI-W). For all urban consumers (CPI-U) the Nonmetro Index changed upward 3.3%. However for the various months of 1995, Nonmetro Areas had monthly indexes showing changes from 3.0% to 4.3% in May 1995.

City Exhibit 27 reported the CPI-W in December 1995 was reflecting a 3.0% annual increase. City Exhibit 30 gave information from Labor Relations Reporter of February 26, 1996. Major collective bargaining agreements in 1995 called for a 2.0% increase replacing 3.0% increases in agreements, and fourth quarter settlements reflected 1.8% increases during the first year and 2.3% annually over the life of the contract.

Parties Positions on the Cost of Living. The Association, citing Arbitrator Kerkman in Merrill Area Education Association (8/81) holds that the cost of living change is reflected in settlements as the reasonable barometer since employees in comparable employment are experiencing the same changes, so one looks to comparable settlements on a voluntary basis as the index of change. Voluntary wage settlements of comparables support the Association position. As to the Consumer Price Index, Marshfield is a Nonmetro Area. The CPI for 1995 has consistently been above the 3% mark. This fact coupled with the need for a catch-up supports the Association offer which was framed with these factors in mind.

The City takes the position that its offer is the more reasonable one when the changes in the CPI are taken. The City's offer maintains the well being of the officers and their economic position. The Association offer is exorbitant in light of the CPI changes. The City says that its Exhibit 27 shows that the CPI average for the months of January through April, 1996 was 3.02%. The average for all consumers during that time was 2.77%. The City's wage offer parallels and exceeds the CPI changes. The Association is proposing a 4.03% wage increase. The Association proposal for a lift of 4.0% is unjustified and should be rejected.

The City is strongly objecting to the contention that Marshfield is considered a Nonmetro Area by the Association, on the basis of a 1994 estimated population of 19,793. The City holds that most arbitrators would consider Marshfield a small metropolitan area. The City is aware that its wages are lower for Police Officers than the comparables, because it is not the same size and does not have the same assets. However, the City provides a competitive and generous compensation package in total compensation.

Discussion. The applicable Consumer Price Index here is the CPI-W. The former Agreement between the parties expired December 31, 1995, so this appropriate percentage change would be a CPI-W for December 1995. According to Association Exhibit 67 the CPI-W for December 1995 for Nonmetro Areas showed a 3.0% change, while the same index for Small Metro Areas showed a 2.8% change. The City Exhibit 29 for Small Metropolitan Areas for the CPI-W also shows 3.0%. There is thus a discrepancy between the parties' exhibit. However, if the CPI-W for December 1995 was at 3.0% for small Metro Areas, instead of 2.8%, the City offer is closer to this index than the Association offer. This latter offer produces an effective dollar cost also of 3.0% for the year, but an effective lift at the end of the year of 4.0%.

The arbitrator cannot determine whether the Department of Labor would under any standards it has consider Marshfield a Nonmetro Area or a Small Metro Area, but believes it is closer to the latter.

**XII. OVERALL COMPENSATION, WORKING CONDITIONS AND BENEFITS.** City Exhibits 41 to 47 furnished information on total compensation of law enforcement officers in the comparable districts. The following table is abstracted from these exhibits.

**Table IX**

**TOTAL COMPENSATION COMPARISONS -  
COSTING OF AN EIGHT YEAR EMPLOYEE, 1996**

<u>Primary Comparables</u>	<u>Hours</u>	<u>All Wages</u>	<u>Total Comp.</u>
Stevens Point	2145	36,007	52,772
Wausau	2045	35,566	52,376
Wisconsin Rapids	2043	36,465	53,985
Marshfield	2045	35,366	51,480
<u>Secondary Comparables</u>			
Marathon Co.	2048	36,546	52,844
Portage Co.	2088	36,496	53,943
Wood Co.	2080	36,882	54,909

City Exhibit 38 shows that Marshfield with a \$55 longevity pay after 25 years reaches the highest level of longevity pay. At twenty years its longevity at \$44 compares with Wood County and Stevens Point, the two other comparables highest at that period of time.

On shifts beginning between 1:00 p.m. and 8:00 p.m. and 8:00 p.m. and 4:00 a.m. the shift differential in Marshfield is \$0.25 and \$0.35 respectively. This night or late shift differential is less than top rates at Wisconsin Rapids, Portage and Wood Counties, equal to the Marathon County rate and more than the Wausau rate. (CX 40).

In Marshfield as far as family health insurance is concerned, the 1996 full premium is \$477.97 of which the City pays \$406.27 or 85%. If all the comparables, primary and secondary, are considered, this dollar payment of the City is sixth in seven jurisdictions. The 85% payment by the City for single and family health insurances premiums is the lowest percentage contribution of the seven jurisdictions. The deductible of \$400\* for the employee is third highest. (City Ex. 34). (\*family)

The City is fully comparable with the other comparables in offering ten paid holidays.

Association exhibits were similar in data furnished. Association Exhibits 44 to 47 inclusive showed however that in health insurance, single and family, the Marshfield officers contributed 15% toward the cost which was a substantially higher contribution than the average of all the other comparables taken together. Thus for 1996, under the single plan the Marshfield Officer would contribute \$31.66 towards the cost and under the family plan \$71.79, whereas the average for the other comparables was \$9.10 and \$26.78 respectively. In monthly longevity up to ten years a Marshfield Officer under the Marshfield provision would have accumulated \$924.00, an amount which was second highest for the period where a Stevens Point Officer would have accumulated the highest longevity at \$1200. The same ranking would occur at 20 years, but at 30 years, Marshfield would have the highest ranking of an accumulated income of \$10,560 as compared to the second highest Stevens Point, at \$10,440 (AX 49-51).

In uniform allowance, Marshfield at \$400, with Wausau at the same amount, is lowest in dollar amounts stated for five jurisdictions. Two jurisdictions, Wisconsin Rapids and Wood County, provide all uniforms, and a dollar cost is not stated. (AX 53).

In vacation time Marshfield and Portage County provide the equivalent of five weeks after twenty years. Marathon County provides this equivalent after 19 years. Wisconsin Rapids and Wood County allow the equivalent of six weeks after 36 years, and Wausau and Stevens Point the equivalent of six weeks after 24 years. (AX 54, 55).

Association Position on Total Compensation and Benefits. The Association notes that as far as health care benefits, the Marshfield employees under the family plan will pay \$539.04 more than the average of all comparables. This fact clearly supports the Association final offer. The other benefits compare with varying degrees, but no benefit elevates the members of the Association to any position which would make the final offer of the Association unreasonable. Little weight should therefore be given to this criterion.

City Position on Total Compensation and Benefits. The City holds that it is offering a generous fringe benefit package, and this should be considered in selecting the City final offer. The wage and fringe benefit package provided the Officers parallels that provided Officers employed by the comparable community. The City notes that the total compensation provided Officers in the comparable communities is \$53,471, whereas the City's total compensation is \$51,480, only 3.9% to 4% below the compensation provided Officers in comparable jurisdictions.

The City notes it pays in full the Officers' required contribution to the Wisconsin Retirement System. This full pay is 23%, whereas in other jurisdictions the contribution of the employer ranges from 21.3% of the required amount to 22.2%.

The City points out that in health insurance, Officers have co-payment requirements which may cost them up to \$1500. In Portage County Officers are required to pay 10% of the first \$2000 of certain medical services, and in Wood County there is also a 10% co-pay where the family co-pay maximum is \$2000. Marshfield Officers do not have to make this kind of payment, a significant benefit for them.

The City also notes that Marshfield ranks third in the longevity benefits. In payments from the fifth to tenth year only Stevens Point and Wood County exceed the longevity benefits of \$924 paid in Marshfield.

Though the total compensation of Marshfield Officers is slightly lower than that of comparable communities, yet the fact that its compensation is competitive is shown by the fact that only four new Officers have been hired in the last five years. The City's offer in light of the total compensation package makes its offer preferable in the instant matter.

Discussion. Concerning total compensation and benefits and stability of employment, the evidence is that a costing of total compensation for an eight year employee shows that Marshfield is the lowest among the comparables, and this by about \$900 below the next lowest, Wausau. Although the full payment of retirement contribution is a plus factor for the City offer, yet the insurance costs are not clearly in the City's favor even though three comparables require a co-payment which could be a substantial cost. The 15% contribution of employees toward health insurance is higher than that required elsewhere, so that the City is not clearly ahead in its health insurance program. Generally in other matters of vacations, holidays, sick leave, the City is comparable. On the whole then, the arbitrator places the weight of the factor of total compensation as accruing to the Association offer since total compensation shows the effect of a basic salary lag and a need for a catch-up.

**XIII. ABILITY OF THE UNIT OF GOVERNMENT TO MEET THE COSTS.** No direct argument has been made by the City as to an inability to meet the costs of the Association offer, but indirect arguments to the effect that the City is not comparable economically to the other comparables and should not meet the costs of the Association offer are implied in City exhibits.

As noted earlier Marshfield has 1995 full value of taxable property at \$55,034,300 which was the lowest among the cities which are here considered as primary comparables, and of course far below the full value of property in the counties. Marshfield population at 19,973 in 1994 is third highest where Wisconsin Rapids with 18,582 is lower. The Marshfield property tax in 1994 was \$33.39 which was highest, followed by Wisconsin Rapids at \$33.37, Wausau at \$33.11 and Stevens Point at \$32.85. (EX 17).

According to City Exhibit 18 the 1995 total equalized value of Marshfield at \$545,556,306 million was the lowest of the four primary comparable cities where Wisconsin Rapids was next lowest with \$574,219,100 equalized valuation. Marshfield has the second highest residential valuation and the second lowest commercial valuation. Its manufacturing base at \$29,723,400 was below that of Stevens Point, next lowest, with a base of \$51,132,700. However Marshfield's manufacturing base increased 13% between 1994 and 1995, a larger percentage increase than that experienced in the other four comparables.

In adjusted gross income per tax return, Marshfield with a return of \$28,874 was higher than the average per return for Wausau at \$28,618, and Wisconsin Rapids at \$25,122, and Stevens Point at \$23,980. (CX 19).

Between 1989 and 1991 Marshfield and all the other comparables lost population except Wausau and Marathon County which gained it; but this loss has since been overcome.

In the period of 1989 to 1990, Marshfield with a 6.63% change in adjusted gross income per capita was lowest among the comparables, but status was partly regained when from 1990 to 1991 the adjusted gross income per capita of \$14,285 registered the second highest gain at 5.01%. (CX 20).

The City supplied prepared information on the characteristics of the four primary comparables. (CX 21-24). The information is supplied that Marshfield has an economy which includes heavy emphasis on provision of health care services, on food processing and distribution, and on manufacturing of products involving wood as the basic raw material. The other cities have a larger and more diversified manufacturing base while Wausau is both a manufacturing and commercial center.

The City also provided as exhibits copies of the proceedings of the Marshfield City Council for June 14, 1995, and October 24, 1995. In the former Mayor Daniels set forth ten parameters and guidelines for the 1996 budget, all of which were intended to reduce the cost of government. These parameters and guidelines were approved. In the latter set of minutes the budget was approved, but efforts were made by Councilmen to reduce the budget in various ways. (CX 22).

Position of the Parties on Ability to Pay and Interests and Welfare of the Public. The Association is holding that the inability to pay is not a factor here. Its offer produces about the same cost for the first year, which comes to a 3% dollar cost increase, same as the City's offer. The City has not said it is unable to pay, but rather is suggesting an unwillingness. The City is not alleging that it does not have the funds to meet the Association offer.

The principal argument of the Association is that the interests and welfare of the public are best served by keeping up the morale of Officers who work "side by side, on a daily basis with Officers of other departments." (B, 67). An individual Officer is required to be mentally and physically capable to perform all tasks expected of him when in uniform. The City offer jeopardizes these goals if the hourly rate slips according to the Union calculation as much as \$1.03. This would be \$0.32 below the lowest paid rate in any other comparable department. There is no justification for this disparity. The Association offer only slows down the difference occurring in the rates and the average. A 9.7% increase would be required for equalization. If there is a declination of wage rates, the interests of the public will suffer.

The City has maintained that it does not believe it should be compared with the larger communities but is so constrained by past use of the comparables. However economic differences exist and they should be given substantial consideration. The City does not have the assets of the other communities and that is the reason why its pay rate is lower in comparison. The City is last in property value, but its tax rate is higher than others in the comparables. The City's commercial and tax base is smaller, and its population has been decreasing in recent years.

Further the City should not be compared to the counties with their much larger tax bases. The City cannot draw upon an industrial base like the other communities, and arbitrators have recognized this fact. The City is not wealthy but it is maintaining an equitable wage level of its Officers, and the City offer here is consistent with internal and external settlements.

The City takes issue with the contention of the Association that because the morale of the Police Officers is so low it is in the best interests and welfare of the public to adopt the Association final offer. There has been hardly any turnover in the department, and there is no evidence that there is a morale problem. The City also challenges the contention of the Association that Marshfield Officers work on a daily basis with Officers of the comparables.

The City is contending that the Association exhibit of base wages for 1996 and 1997 are wrong, particularly Association Exhibit No. 38 which shows incorrect hourly rates and produces incorrect figures for an average which exaggerates the lag in Marshfield.

Discussion. The City here has not made an argument that there would be an inability on the part of the City to pay the costs of the Association offer, but rather that it should not have to pay them. The difference in total compensation costs is the \$12,690 cost of the Association offer the first year and the \$26,269 cost the second year, or a total of \$38,959. Because the City is not alleging



that it cannot pay this increased total compensation cost, the arbitrator concludes that the City can meet the cost of offers. The question then is whether in view of the City's economic situation and other circumstances it should not be required to meet the Association offer.

The arbitrator is of the opinion that while Marshfield does not have the industrial and commercial base of other primary comparables, yet the people of the City reported an average income level that is superior to the other comparables. While therefore the lag in Marshfield behind some of the other primary comparables in hourly wage rate exists, the arbitrator is of the opinion that the interests and welfare of the public are not served if the Police Officers in Marshfield get a rate which is \$0.84 per hour behind comparables. While the Officers may not be ready to seek other employment, yet it is likely that they may feel some sense of unjust treatment where such a lag exists. The opinion here is that the interests and welfare of the City of Marshfield are best served as is proposed here under the Association offer.

**XIV. CHANGES DURING THE PENDENCY OF PROCEEDINGS.** The only changes to take note of during the pendency of the proceedings were the changes proposed in calculations of base rates found in Exhibits A and B of the City Reply Brief. The arbitrator has taken cognizance of these exhibits, even though they have come in at the time of Reply Brief where the Association has not had a chance to examine them. Absence a further letter from the Association, the arbitrator has taken them into consideration in weighing wage comparisons.

**XV. OTHER FACTORS.** The Association introduced exhibits on property and violent offenses, comparing Marshfield with all of the comparables. Property offenses in Marshfield declined 24% from 1985 to 1994; and in 1994 with 691 offenses, Marshfield was fourth highest among seven comparables. However the other primary comparables were all higher. Marshfield had a 37% clearance rate in 1994, the second highest percentage clearance rate. Between 1985 and 1994 Marshfield had a 54% increase in violent offenses, going from 10 to 22. This was the second highest percentage among the comparables. 82% were cleared, the fourth highest clearance rate.

The significance of these figures is that it does not have a load more significant than other comparables, except that if the increase in violent offenses is occurring, the duties of the department employees may become more onerous.

**XVI. SUMMARY OF FINDINGS AND OPINION AND CONCLUSION.**

1. The City's costing in dollars is inclusive and therefore more likely to be closer to the probable costs of the offers.

2. The primary comparable units of government for Marshfield are Stevens Point, Wausau and Wisconsin Rapids. The counties of Marathon, Portage and Wood are secondary comparables because of size and greater population.

3. There is no question as to the lawful authority of the City of Marshfield to meet the terms of either offer.

4. All other matters have been stipulated to by the parties.

5. The preponderance of evidence is that there is a need for a catch-up in the basic wage of Police Officers in Marshfield. The Association offer on base wages meets the test of comparability better than does the City offer.

6. In internal settlements the evidence is that the City offer more nearly meets the test of comparability than does the Association offer.

7. The City offer is closer to the changes in the official cost of living index than is the Association offer.

8. In overall compensation, working conditions and benefits the evidence is that total compensation in Marshfield is lowest among all the comparables and reflects the lag in base salary. Also the substantial contribution made by employees toward health insurance is greater basically than that made in other jurisdictions, and it is unclear with the co-pay plans required elsewhere that they counterbalance the higher employee contributions in Marshfield.

9. The City of Marshfield has the ability to meet the costs of either offer.

10. The interests and welfare of the public will be best served if the lag of Marshfield base compensation is reduced under the Association offer.

11. Information supplied by the City in its Reply Brief on data relating to hours worked annually and base calculations reduced the amount of lag shown in the Association exhibits, but the lag was still considerable enough to support a catch-up.

12. In other factors, information supplied by the Association on property and violent offenses did not indicate that the work of Marshfield Police Officers is more onerous than the work of Officers in comparable communities.

In summary, the major factors weighing for the City are internal comparison and the changes in the cost of living. The major factors weighing for the Association offer are the need for a catch-up in base wages, the need for a catch-up indicated in overall compensation, and the interests and welfare of the public to be served by improved base pay for the Police Officers. The arbitrator is of the opinion that the latter are the more weighty; hence the following Award.

**XVII. AWARD.** The 1996-1997 Agreement between the Marshfield Police Officer Bargaining Unit, WPPA/LEER and the City of Marshfield shall include the final offer of the Marshfield Police Officer Bargaining Unit.

*Frank P. Zeidler*

FRANK P. ZEIDLER  
Arbitrator

Date September 3, 1996  
Milwaukee, Wisconsin