

AUG 20 1997

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

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 In the Matter of the Petition of :
 :
 LABOR ASSOCIATION OF WISCONSIN, INC. :
 : Case 76
 For Final and Binding Arbitration : No. 54220 MIA 2071
 Involving Law Enforcement : Decision No. 29030-A
 Personnel in the Employ of :
 :
 CITY OF MARINETTE (POLICE) :
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Appearances:

Labor Association of Wisconsin, Inc., by Thomas A. Bauer, Labor Consultant, for Marinette Police Department Employees' Association Local 230.

City of Marinette (Police Department), by Godfrey & Kahn, S.C., by Robert W. Burns, Esq.

ARBITRATION AWARD

Labor Association of Wisconsin, Inc. (Association or Union) is the exclusive collective bargaining representative for those members of the Marinette Police Department listed on Schedule "A" of the Association's contract with the City of Marinette. The parties have been unable to agree upon the terms to be included in their successor contract to the agreement that expired on December 31, 1995. On June 26, 1996, the Association filed a petition with the Wisconsin Employment Relations Commission (Commission) wherein it requested the Commission to initiate compulsory final and binding arbitration pursuant to Sec. 111.77 of the Municipal Employment Relations Act (MERA) for the purpose

of resolving their impasse on matters of wages, hours and conditions of employment. The Commission caused a member of its staff to investigate the impasse. The investigator informed the Commission, on February 27, 1997, that the parties were at an impasse. The parties selected the undersigned from a panel of arbitrators furnished by the Commission. The Commission appointed the undersigned to act as the arbitrator by an order dated June 3, 1997. After proper notice had been given, the arbitration hearing was conducted at the Marinette City Hall on June 3, 1997. Both parties presented evidence on the hearing record which was closed at the conclusion of the June 3, hearing. The parties summarized their arguments in post-hearing briefs which were exchanged on August 4, 1997.

ISSUE IN DISPUTE

The sole issue the parties have been unable to agree upon, is the size of the wage increases to be incorporated into the parties' contract. The Association offered 3% on January 1, of each 1996 and 1997, and an additional .5% on July 1, of each of those years. The City's offer is for 3% on the first day of each 1996 and 1997.

THE ASSOCIATION'S POSITION

The Association said that it had based its offer upon the criteria set forth in Sec. 111.77(6)(a), Wis. Stats. It noted that there is no dispute about the authority of the City to meet

the Association's final offer, and said that the stipulations which the parties have agreed upon, should not affect the outcome of this proceeding.

"The Association believes there is more to serving the public interest than trying to save money." It said that providing a quality police force should be a top priority, "the citizens of Marinette are fortunate to have such a force." It said that it is necessary to compensate police officers adequately in order that they will know that their efforts are appreciated. It argued that the City's offer would hurt morale, therefore, "the best interests of the citizens of Marinette will not be served."

The Association outlined the reasons that police department' moral would be injured. It said that Association members are frustrated about having to go into an arbitration proceeding over a very reasonable wage proposal. The difference in the two offers "is a mere \$6,915.29 over a two year contract." It said that police officers who are at the top of the wage scale object "that the City is attempting to propose a wage settlement that is substantially less than the majority of other employees in the City of Marinette." It said that the City had agreed to increases for the firefighters and fire lieutenants bargaining unit that are identical to the Association's proposal. "Four other bargaining units received a 2.6% wage increase for 1996 PLUS an average of 5.9% [average wage adjustment] for 1996, and a 3.3% wage lift in 1997." The Association said that the City

argues parity differences between its police and fire departments, but, it ignored the lack of internal uniformity. It said that parity has never been an issue in the negotiations between these parties, "therefore, this argument should be given little, if any, weight by the arbitrator."

The Association noted that the City has not offered any evidence that it is unable to pay the Association's final offer.

The Association said that arbitrators recognize the importance of selecting an appropriate group of comparable communities for external comparisons. Since this is the first time these parties have gone to arbitration, there is no previously established list of external comparables. It noted that both parties agree that Kaukauna, Sturgeon Bay and Two Rivers should be considered comparable to Marinette in this proceeding. The Association said that DePere and Little Chute should be added to the list, because, they meet the criteria of geographic proximity, population, square miles, similar sized bargaining unit and similar ratio of population to police officers. It said that it had "selected the majority of comparables set by" Arbitrator Mickelstetter in a 1994 case involving the City of Marinette's firefighters. The Union noted that the Employer urged that Antigo, Menasha, Shawano and Menominee, Michigan, should be added to the list of comparables. It argued that the latter is not appropriate because it is not a Wisconsin municipality and is not subject to the Wisconsin Employment Relations Act. It also said that Menominee, Michigan,

with half as many police officers, is too small a department to be considered comparable to Marinette.

"An in-depth analysis of the comparable communities selected by the Association and the Employer shows that the final offer of the Association is more reasonable." The Union reviewed a cost analysis of the impact of its wage offer on each of four employee classifications affected by these negotiations, over the term of the contract. There was only one Patrolman I who was hired in 1997. His 3.2% 1997 wage increase would equal .53¢ an hour. Two Patrolman IIs would receive two annual 3.2% increases which would cost .53¢ each in 1996 and .55¢ each in 1997. The greatest total impact would be for the increases paid to 13 patrolman who are at the top of their pay scale. Their 3.3% increases would cost .57¢ an hour in 1996 and .59¢ an hour in 1997. Three sergeants would receive 3.3% annual increases at an hourly cost of .60¢ each in 1996 and .62¢ an hour in 1997. The Association said that the total cost of its 1996 wage offer is \$20,664.80 compared to the \$18,928 cost of the City's offer. This is an annual difference of \$91.41 for each of the nineteen members of the bargaining unit. The Union's 1997 offer would cost \$103.67 more per employee, based upon total cost impacts of \$21,465.60 and \$19,495.80 for the Association's and City's offers.

The Association said that its offer would maintain Marinette's wage ranking among its proposed comparables. It pointed to evidence that it said showed that, "[u]nder the Employer's final offer the Association's second place ranking for

the 'start' pay rate, and their fourth place ranking at the 'top' pay rate will deteriorate significantly."

The Association said that the City had granted higher wage increases to five other bargaining units than it has offered the police officers. It said that except for the members of two bargaining units which received 3% across-the-board increases in 1996 and which are not settled for 1997, "all of the other internal settlements exceeded the City's final offer in this instant case." The Union reviewed evidence that a represented office/clerical unit and four non-represented employee groups including police and fire supervisors and firefighters and fire lieutenants have received 1996 and 1997 wage increases that exceed the City's offer to this unit. Members of the first four groups listed above "received additional merit pay adjustments recommended in a DMG Wage Study which averaged 5.9% for 1996, and an additional .3% for 1997. The firefighters and fire lieutenants received the same increase as the Association is proposing." The Association reviewed exhibits which demonstrate the wage adjustments received by 43 of the City's employees as a result of the DMG Wage Study. It noted that those adjustments "applied higher percentages to the other internal settlements in contrast to what the City is offering the police in their final offer." The Association concluded that its offer is more reasonable than the City's offer and urged its incorporation into the parties' 1996-97 agreement.

THE CITY'S POSITION

The City said that it agreed with the Association that Kaukauna, Sturgeon Bay and Two Rivers are comparable to Marinette. However, it disagreed that Arbitrator Mickelstetter had found DePere and Little Chute comparable in a 1994 decision involving the City of Marinette and its firefighters. The City said that Little Chute is not mentioned in that decision. It said that Mickelstetter had found Allouez comparable, but the Union did not include Allouez in this case. The City reviewed the text of the Mickelstetter decision, the criteria for comparability and the evidence that the Association presented to support its proposed comparables. "Because of the lack of evidence provided by the Union, and due to the incomparability of the comparables chosen by Arbitrator Mickelstetter ... as it relates to this unit, the arbitrator must turn to the comparables suggested by the Employer." It cited arbitral authority that similar levels of services, responsibilities and training of the employees in question, combined with geographic proximity and similar size to other employer units are objective evidence of comparability. It said that the cities it had proposed: Antigo, Kaukauna, Menasha, Menominee, Michigan, Shawano, Sturgeon Bay and Two Rivers, "are geographically proximate, are similar in population, and have tax and property values resembling that of Marinette." It pointed to data that shows the Employer's proposed comparables have similar size police forces and similar

work schedules. The City concluded that its proposed group of municipalities should be accepted as the appropriate comparable group.

The City said that arbitrators have long recognized that it is important for employers to maintain internal consistency when they bargain with multiple employee units. It cited a series of decisions by arbitrators in Wisconsin to the effect that:

"arbitrators are inclined to look toward internal comparables ... where a clear pattern of voluntary settlements exists." "Wage increases should be quite similar for all of an Employer's bargaining units in the absence of some unusual circumstance." "Deviations from an established pattern can be disruptive and have a negative impact upon employee morale."

The Employer reviewed evidence of wage settlements with six employee units, including this unit, between 1989 and 1995. It said that the data shows that the City historically provided the same percentage increase to all of its bargaining units. "Since at least 1989, the police have settled for increases entirely consistent with other units." The City explained that in 1995, the Marinette Common Council, being concerned about the City's inconsistent wage policy, "hired David M. Griffith & Associates ("DMG") to perform a wage classification study." The goal of which "was to develop a pay system which would enable the City to recruit, retain, and motivate employees."

The City said that after the study was completed, the consultants "developed a salary plan and rules for pay

administration." The salary plan is based upon "28% range spreads which DMG determined for sufficient in-range progression opportunities while enabling the City to hire qualified entry level staff." It explained that the salary plan gives participating employees the opportunity to receive a 2.5% merit increase and an increase based upon an across-the-board adjustment each year. "The bargaining units who chose to be part of the plan received an across-the-board increase of 2.6% in 1996 and 3.3% in 1997. In addition to those increases, all employees participating in the plan who received satisfactory performance evaluations, proceeded to the next step which equated to an additional 2.5% each year." The City reviewed evidence that shows that the employees who participate in the salary plan received higher wages than those employees who did not. It predicted that the wage increase for employees covered by the plan will be 5.8% in each 1997 and 1998 compared to the Union's offer of 3.5% for 1997 and an apparent assumed Union offer of 3.5% in 1998.

"One begins to wonder why the police officers did not agree to the plan." The Employer discussed evidence that Police Officers had refused to participate in the wage plan because "the Union wanted guarantees as to wage increases." It said that such guarantees had not been given to other units who joined the plan. The City argued that the Union chose not to participate in the wage study. "They cannot now seek the benefits of the study without bearing the responsibilities of same." It argued that

the Association is requesting wage increases that are higher than those received by other bargaining units. It said that the Union did not provide evidence to justify its higher wage request. The City cited a series of six prior arbitration decisions in which arbitrators heralded the importance of consistency in internal settlements. The City concluded that internal settlements favored its offer. "Extensions beyond what the internal comparables provide would result in continued internal inequity and dissension among the City's bargaining units."

The City noted that "firefighters received an additional .5% increase to which the police union points to justify the union offer here." It said that it had granted that greater increase because of the need to address parity between the police and fire department employees. It referred to Arbitrator Mickelstetter's 1994 arbitration award, in which he found an "inequity between police officer and firefighter wages in his decision involving the firefighters." It said that its wage offer to the firefighters was intended to narrow that gap. The Employer said that the DMG study determined that police and firefighter wages should be equal. It reviewed evidence that the City's settlement has narrowed the gap. It argued that if the Union prevails, the firefighters will be able to "whipsaw" the City during its next round of negotiations.

The City said that evidence of police settlements in comparable communities support its offer. It said that Marinette patrolman' wages rank third out of seven, and its sergeants'

wages are second of seven. It said that those rankings will not change no matter which offer is accepted. The City reviewed evidence that a patrolman in Kaukauna, which pays the highest wages, "must be employed for 25 years before he will reach the top wage." In Marinette, it takes two years compared to the seven year average among the City's proposed seven comparables.

"Besides wages, it is important to consider other types of monetary awards employees receive as part of their salary." It reviewed Marinette's longevity benefit which pays officers with three years of service 1% of monthly base salary for each year of service over three, and 3% of monthly base salary for each year after seven years. It calculated that the average Marinette patrolman with ten years of service would have received \$749 in longevity benefits in 1995 compared to an average of \$394 in comparable districts. Average longevity received by sergeants with 10 years of service in Marinette was \$886 in 1995 compared to \$415 in comparable municipalities. It noted that only Shawano and Two Rivers had more generous longevity payments than Marinette. "Even with Shawano and Two Rivers' more lucrative longevity packages, they still rank well below Marinette when adding the benefit to wages."

The City said that it did not agree with the Union's proposed comparables. Nonetheless, it reviewed the data that the Association presented. It said that the Association had not supplied any data relating to 1996 wage increases in those municipalities it considered comparable. "As such the Union's

claim that the percentage increase for the two year period are supported by the comparables is not justified." It said that the Association had used incomplete data when it calculated Two Rivers' wage data. It also criticized the Union's impact analysis as being incomplete, because, it considered wages only not total package cost.

The City noted that a large number of arbitrators have said that the cost of living analysis required by Sec. 111.77(6)(e) should be based upon comparisons of the total package cost of the two offers and not upon just the cost of the wage only offers. It pointed to its package cost analysis of the two offers in this proceeding. It concluded that the City's offer would cost 3.26% in 1996 and 2.68% in 1997 for a total two year cost of 5.94%, compared to the 1996 increase of 3.48% and a 1997 increase of 3.13%, totalling 6.61% for the Union's offer. It concluded that since the Employer's offer exceeds the 5.6% and 5.7% CIP increases for the two year period, "the police officers will receive wage and fringe benefit gains in excess of the cost of living under the City's offer."

Finally, the City reviewed a series of wage settlements between Marinette County and its bargaining units for the period 1995 through 1997. That review showed that 6 of 7 units, including Marinette County sheriff supervisors and sheriff deputies, settled for 3% in each 1995, 1996 and 1997. The seventh unit, highway employees, settled for 3% in 1995 and 1996,

they are not settled for 1997. The City said that based upon the record, the Employer's offer should be selected.

DISCUSSION

After observing the witnesses, listening to their testimony, examining the evidence and considering the arguments of both parties, it appears that the parties' disagreement over the DMG classification and compensation study has prevented the parties from arriving at an agreement. It appears that the parties recognize their fundamental disagreement arose out of the City's decision to implement the wage classification and compensation plan and the Association's decision not to participate in that implementation. The foregoing observation is intended neither as a criticism of the parties nor their positions with regard to that DMG study and plan. It is important to recognize that though both parties have presented arguments based upon comparability to support their offers, the evidence upon which those arguments are based is not particularly supportive of either party's position. The classification and compensation study and the parties' reaction thereto, is a factor not confined to the other factors outlined in Sec. 111.77(6) which must be taken into consideration in determining which of the two offers in this proceeding is the most reasonable.

APPROPRIATE COMPARABLES - It is important to establish a pool of comparable communities in order that the parties will

have an objective standard in order to evaluate their respective positions during future contract negotiations. Neither party has presented sufficient evidence to permit the adoption of a reasonable number of municipalities as comparable to Marinette for the purpose of future comparisons.

Both parties discussed Arbitrator Mickelstetter's 1994 decision involving the City of Marinette and its firefighters. In that decision, Mickelstetter noted that "[T]he Employer has properly argued that it is difficult to find communities closely comparable to Marinette." He noted that including DePere, Allouez and Kaukauna as comparables, would likely favor the Union because of their proximity to Green Bay. Mickelstetter limited the use of the City's proposed comparables "to this award."

Both parties have included Kaukauna, Sturgeon Bay and Two Rivers on their list of proposed comparables for this proceeding. The undersigned, therefore, adopts those three municipalities for the purpose of comparing the wages, hours and conditions of employment of the employees involved in this proceeding with the wages, hours and conditions of public employment in comparable communities. That list should be expanded to include additional comparable municipalities in order to provide the parties and future arbitrators a more reliable standard for comparisons.

The City correctly noted that there is no justification in the record for finding Little Chute or DePere comparable to Marinette. Arbitrator Mickelstetter's concern that including Kaukauna and DePere would likely favor the Union's position is

noted above. It is troublesome that the Association resubmitted those municipalities and Little Chute as comparables in this proceeding without more justification for their inclusion than the similarity of their populations and geographic proximity.

The Association correctly questioned the basis for including Menominee, Michigan as a comparable. The City did present some evidence to support including Antigo, Menasha and Shawano in the comparable pool. The evidence that has been presented, however, is not sufficient to impose those municipalities upon the Association until questions about their comparability have been answered. The City's consultant identified fifteen municipalities that it considered similar to Menominee when DMG conducted its study, however, Menasha was not included on that list of comparables. Arbitrator Mickelstetter previously expressed his concern that Antigo may be too distant and/or too different to be comparable.

It may be that all of the municipalities both parties have suggested as comparables meet the criteria to be included in the pool for comparisons with Marinette. It is not possible to decide from the record in this proceeding whether that is the case. For that reason, data for only Kaukauna, Sturgeon Bay and Two Rivers will be compared to the offers herein. The parties should either work to expand that comparable base by agreement during future negotiations or present satisfactory evidence to permit the arbitrator to identify a more complete list of comparable municipalities during a future hearing.

The Association said that the interests of the public favored its offer because Police Department morale would suffer if the City's lower wage offer is adopted. Bargaining representatives for law enforcement officers often argue that "the interest and welfare of the public is equivalent to maintaining their unit's morale by making certain that the unit's members are compensated as well or better than law enforcement personnel in other communities." That assertion is no more convincing than the argument that the interest and welfare of the public is equivalent to the lowest or no property tax.

The Association said there are three reasons why morale would suffer. First, the officers are frustrated over the need to proceed to arbitration over "a mere \$6,915.29 over a two year contract." Second, members are dismayed that the City proposed "a wage settlement that is substantially less than the majority of other employees in the City of Marinette." Third, it argued that parity between wage increases awarded to police and firefighters has never been an issue. The validity of the foregoing apparently contradictory assertions will be assessed along with the financial analysis of the two offers below.

At the time the parties' contract expired on December 31, 1995, a starting patrolman in Marinette earned \$14.40 an hour compared to \$13.71 in Kaukauna, \$13.58 in Sturgeon Bay and \$12.46 in Two Rivers. Top patrolman' salaries and the number of years that it took to reach the top salaries were as follows: Kaukauna - \$17.24 after 25 years, Marinette - \$15.99 after 2 years, Two

Rivers - \$14.99 after 3 years and Sturgeon Bay - \$15.35 after 4 years. Marinette had a single wage level for sergeants, \$17.03 an hour. Minimum and top sergeant wages were \$13.65 and \$16.44 in Two Rivers and \$17.44 and \$17.76 in Kaukauna. Sturgeon Bay had a single sergeant's rate of \$16.44 an hour. Police officers in comparable districts received either larger increases or increases which resulted in greater lift in both 1996 and 1997 than the City of Marinette has offered. Kaukauna granted raises averaging 3.25% in 1996, 3.75% in 1997 and 3.24% in 1998. Sturgeon Bay granted wage increases which averaged about 3.25% in both 1996 and 1997. It appears that Two Rivers granted patrolman and detectives split increases on January 1, and July 1, 1996. Starting patrolman received 2.7% and 2% increases, top patrolman and detectives received 2% on each January 1, and July 1, 1996. Two Rivers has also reached a settlement through January 1, 1999 with its officers receiving 3% increases on the first day of January in each 1997, 1998 and 1999.

When parties compare law enforcement officers' wages, they often base the comparisons upon wages paid to patrolman at the top of the wage scale. Since there are so few comparables available and since Kaukauna's wage scale tops out after 25 years compared to 4 years in Sturgeon Bay, 3 years in Two Rivers and 2 years in Marinette, it seems appropriate to compare wage scales that are relevant to the majority of the members of this bargaining unit. Thirteen of the 19 members of this unit are in the top patrolman wage classification. Eight of those have

between 8 and 11 years of service in 1997. Table I below shows the hourly wage for top deputies with 8 to 11 years of service in Marinette and in comparable municipalities from 1995 through 1997.

TABLE I
TOP PATROLMAN WAGE

<u>Municipality</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Kaukauna	\$15.98	\$16.50	\$17.12
Marinette	\$15.99		
City		\$16.46	\$16.97
Union		\$16.56	\$17.14
Sturgeon Bay	\$15.35	\$15.85	\$16.37
Two Rivers	\$15.21	\$15.82	\$16.29

Marinette patrolmen with 8 to 11 years would remain in a virtual tie for first with patrolmen in Kaukauna under the Association's offer. They would earn .04¢ an hour less in 1996 and .15¢ an hour less in 1997 under the City's offer. Marinette patrolmen earned .64¢ an hour more than patrolmen in Sturgeon Bay and .78¢ an hour more than patrolmen in Two Rivers in 1995. Under the Association's offer, Marinette patrolmen would gain .07¢ in 1996 and .06¢ in 1997 on patrolmen in Sturgeon Bay and .03¢ in 1996 and .07¢ in 1997 on patrolmen in Two Rivers. Under the City's offer, Marinette patrolmen would lose .03¢ an hour in 1996 and .04¢ an hour in 1997 compared to patrolmen in Sturgeon Bay. They would lose .14¢ and .10¢ an hour compared to patrolmen in Two Rivers. The foregoing demonstrates that the impact of either of the wage offers would be marginal. The employees would gain a few cents under the Union's offer and lose a few cents

under the City's offer. Both offers appear to be reasonably comparable to the settlements in comparable municipalities.

The City discussed the longevity benefits that Marinette police officers receive. That discussion does not appear to be relevant to the consideration of which wage offer is most reasonable. The issue in dispute is the size of the wage increase to be provided to Marinette police in 1996 and in 1997. Neither party provided evidence of the total cost of wage and benefit packages provided to police officers in comparable municipalities. The only differences in the total cost of the 2 offers in this proceeding appears to be a function of the difference in the 2 wage offers. Evidence of wage settlements between police officer units in those municipalities that are comparable to Marinette does not lend support to either of the wage offers herein.

The difference between the 2 wage offers is \$1,763 in 1996 and \$5,508 in 1997 (Employer's Exhibits 4 and 5). The Union's offer would provide an additional 1% of a lift over the 2 year period of the contract. Both offers appear to be reasonably consistent with increases in the consumer price index. That factor does not lend greater support to either of the offers.

Evidence that all 6 of Marinette County's represented bargaining units, including the Sheriff Supervisors and Sheriff Deputies' units, and the County's non-represented employees settled for 3% in 1996 and that all except the County Highway Department settled for 3% in 1997 supports the City's offer.

Both parties argued that 1996 and 1997 settlements between the City of Marinette and its other bargaining units support their wage offer in this case. In fact, those settlements cannot be said to support either offer. Data in evidence indicates that between 1989 and 1995, the City granted the same percentage wage increases to the members of each of its bargaining units and its unrepresented employees except for fire department employees. There is satisfactory evidence to establish that the reason different levels of wage increases were granted to fire supervisors and firefighters bargaining units during most of those years, was either because the City periodically attempted to address perceived inequities in fire department wages or because it was required to do so in 1993 and 1994 through arbitration. The last time uniform general wage increases were granted was in 1995, when all units received 3% raises.

In 1996, Public Works, Parks, Cemetery and Wastewater employees who are represented by Teamsters Local 260 and Water Utility employees represented by Teamsters Local 328, received 3% across-the-board increases. Those increases were received as part of the bargaining units' 1994-96 contracts. Neither of those units are settled for 1997. Teamsters 328 office/clerical employees, the fire supervisors unit, the police supervisors unit and non-represented City employees all settled for 2.6% across-the-board plus DMG wage adjustments in 1996, and for 3.3% across-the-board and 2.5% step increases in 1997. Only the firefighters and fire lieutenants unit received the same 3% and .5% increases

on the first day of January and July respectively during both 1996 and 1997 that were requested by the members of this bargaining unit.

The City's explanation for offering .5% more to the firefighters is plausible. The greater offer is justified by Arbitrator Mickelstetter's award to the firefighters in Decision No. 27642-A and by the DMG classification and compensation study which suggested that the firefighters are underpaid compared to patrolmen. The City's concern about being whipsawed by the fire department's employees' bargaining units during future negotiations if it grants police department wage increases that are equal to fire department increases, is well taken.

As noted above, it appears that the DMG Wage Classification Study is at the center of these parties' disagreement. Union Exhibit 3B demonstrates that the 43 City employees who received wage adjustments in 1996 received a general wage increase of 2.6% plus a wage adjustment that varied from .03% for two employees up to 54% for one employee. The averages of the adjustments was 5.9% in addition to the 2.6% base wage increase for those employees who received increases under the DMG plan. Evidence about that Study and Plan (Union Exhibit 3C) appears to indicate that 123 employees were subject to receive wage adjustments based upon their 1995 wages. Based upon Union Exhibit 3C, the annual adjustments would have ranged from \$6 for a foreman who would have gone from \$28,954 to \$28,960, to \$5,837 for a secretary whose annual income would have increased from \$10,811 to \$16,648.

The Exhibit also indicates that 6 employees, only one of whom is not a department head, would be red circled at their 1995 salary level in 1996. The average minimum wage adjustment for the 123 employees who are not red circled is \$597.66. There are eleven top patrolmen listed on Union Exhibit 3C, they would each receive a \$147 wage increase adjustment under the DMG Plan. The foregoing review of proposed minimum adjustments proposed to the employees' 1995 wage schedule indicates that the City's consultants recommended some rather substantial changes in the salary schedules that were in place in Marinette in 1995. The data appears to support the Employer settling larger average wage increases upon some of its bargaining units than upon other units. That data appears to justify the lower wage increases that the City offered to the members of this bargaining unit.

It is not clear that the wage adjustments which averaged 5.9% for the 43 employees on Union Exhibit 3B are identical to the minimum wage adjustments on Union Exhibit 3C, because, Exhibit 3C may have been from the preliminary DMG Study. It is clear that the larger average wage increases were based upon the consultant's study and the Employer's effort to bring more consistency into its overall compensation plan. If the plan had been completely implemented, 6 employees would have received only a base increase of 2.6% in 1996. The increases granted to some other employees would have been less than the 3% that police officers would receive in 1996 under the City's offer. The City's offer to the police unit is lower than its offer to any

settled unit for 1997. There does not appear to be a pattern of internal settlements in Marinette during 1997. It is not clear that a pattern of settlements based upon the DMG Wage Classification Study began to develop in 1997, because, there is insufficient evidence to determine how many of the City's employees received wage adjustments under the Plan.

It appears that more than half of the City's represented bargaining units have not agreed to participate in the pay plan. One can assume that those units whose employees will clearly benefit from being under the plan have agreed to participate in the plan. It is clear that the reason that this bargaining unit chose not to participate in the plan is because there were sufficient concerns about how the Employer would distribute wage increases across the new wage schedule in the future. The units' inability to know how the Employer proposes to distribute future wage increases across the various newly created wage classifications may constitute a valid reason for Labor Association of Wisconsin's refusal to accept the plan during negotiations. The City should not attempt to punish this or any other unit because of its reluctance to embrace the new wage schedule. There is no evidence that the City has attempted to force the compensation plan upon this unit through retribution.

Conversely, the Association should not be able to either claim foul or undermine the City's efforts to implement a new compensation schedule that the Employer believes is more consistent and more equitable than its former compensation

schedule. Though there is no evidence that the Association is attempting to undermine the Employer's effort to implement the new compensation plan, that would be the practical effect of permitting the employee units who choose not to participate in the plan to demand wage increases that are equal to the raises that other employees who agree to participate are entitled to receive under the new wage schedule.

The record in this proceeding demonstrates that both of the two final wage offers are reasonably comparable to wage increases granted to police officers in comparable communities and to other municipal employees in the employ of both the City and the County of Marinette. When the two wage offers are considered in light of the factors set out in Sec. 111.77(6), neither offer is clearly preferable to the other because of the size of the proposed increases it contains.

The Employer's offer appears to be consistent with the City's stated purpose of offering this bargaining unit a reasonable wage increase in relationship to the moderately higher increase and greater lift that the City settled upon the firefighter bargaining unit. It also appears that the City has made a good faith effort to propose changes in its wage structure for all of its employees. That being the case, the City should be given a reasonable period of time to explain why the changes that it has proposed are reasonable and equitable. It should also be given the opportunity to convince its employees' bargaining units to agree to the plan through the bargaining

process. It appears that the City of Marinette has attempted to act in the manner outlined above. Neither the police officers' nor the firefighters' bargaining units agreed to accept the new wage classification system in bargaining. The City has not attempted to force the new pay plan upon either unit in arbitration. The offer that the City made to these police officers appears to be reasonable. For the foregoing reasons, the City's offer shall be incorporated into the parties' 1996-97 collective bargaining agreement.

Dated at Madison, Wisconsin, this 19th day of August, 1997.


John C. Oestreicher
Arbitrator