

**BEFORE ARBITRATOR ANDREW W. ROBERTS**

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In the Matter of the Petition of

IAFF LOCAL 368 - MANITOWOC

For Final and Binding Arbitration Involving  
Public Safety Employees in the Employ of

CITY OF MANITOWOC

Case ID: 285.0015

Case Type: MIA

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**REPLY BRIEF OF THE CITY OF MANITOWOC**

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The City of Manitowoc stands by its arguments and recitation of the facts in the City's Post-Hearing Brief. The City believes its recitation of the facts and issues reflects an accurate summary of the Offers and of the case. In review of the Union's Post-Hearing Brief, it is abundantly clear what the Union wants the Arbitrator to ignore: (1) that the City's firefighters on both wage schedules A and B are already very well paid when compared to their internal comparable peers, other City employees, and the City's proposed external comparables, including Two Rivers and Sheboygan; (2) that the Union is focused solely on skyrocketing all firefighters to the highest top wage rates on Schedule A without any corresponding *quid pro quo* for the City; and (3) that the Union is steadfastly focused on that outcome without regard for the long-term consequences and impact on the interests and welfare of the public. Devoid from the Union's Brief is any consideration of internal comparability or the interests and welfare of the public. In essence, the Union proposes a new wage schedule that gives a nearly 10% wage increase in top rate pay to Schedule B firefighters over time, on top of current and future annual

adjustments, while needlessly cutting the starting rates for new firefighters. The Union's offer is far from resembling the combined wage schedule that contains the give and the take that would be necessary for any Arbitrator to find the Union's offer is the one the other party would reasonably likely to have agreed to and the one that would offer a reasonable *quid pro quo* to substantially disrupt the *status quo*. The Union's argument goes to show where the Union's mindset is: it's about the money, regardless of cost.

But this case is about more than the money. This case is about organizational culture grounded in innovation, fiscal efficiency, and maintaining predictable and sustainable budgeting practices. This case is about professional development through contemporary concepts rather than stifling development by retaining antiquated approaches. This case is about normalizing common benefits available to all City employees and avoiding divergence in benefits available to City employees. This case is about helping the City continue its City-wide efforts at controlling and eradicating overtime—not needlessly enhancing overtime opportunities for work performed during one's shift. This case is about offering a significant and meaningful wage adjustment to employees that respects the means of the City and embraces the City's continued fiscally responsible budgeting culture and approach to reducing and eliminating overtime.

Each of these objectives is well supported through the City's Offer. Each of these objectives is grounded in the relevant statutory factors of internal and external comparability and the interests and welfare of the public and the City's ability to meet these costs for the long-term. The City's Offer fulfills these objectives and reflects the support from these statutory factors. Yet each of those objectives is largely not considered in the Union's post-hearing argument. Instead, the Union is laser-focused on money, and without regard for the havoc the Union's new wage schedule will wreak on the City's fastidiously crafted budget and financial austerity.

**I. The Union’s Wage Schedule Proposal Does Not Constitute a *Quid Pro Quo*, Does Not Address the Need in As Limited a Manner as Possible, and Does Not Address An “Actual Pressing Change for Need”**

The City proposes a significant and responsible wage adjustment that helps the City maintain pace with external comparables and keeps the Fire Union well positioned within the City while preserving the *status quo*’s long-standing dual wage schedules. The Fire Union asserts that it provides a *quid pro quo* for their proposed substantial deviation from the long-standing dual wage schedules. As the Union’s Brief notes on pages 5 and 6, Arbitrators have historically held that, when a party is seeking to change the *status quo*, the burden is on that party to establish: “(1), there is a compelling need for change; (2), that its proposal will, in fact, remedy, the problem addressed; and (3), that it has offered a sufficient enough *quid pro quo* in exchange for the new benefit.” (Union Brief, p. 4) (citing *Adams County*, Dec. No. 25479-A, (Reynolds, 1988)). Further, arbitrators have noted that the proposal in question must “address[] the need in as limited a manner as possible.” (*Id.*) (citing *Oconto County*, Dec. Nos. 31350-A, 31351-A, 31352-A (Engmann, 2006)) (emphasis added). Despite the Union’s claims, the Union’s proposal to transform the wage schedules does not satisfy these required elements and is by no means limited in nature—the Union’s offer is expansive and with predictable consequences left for the City and taxpayers to bear. As this Reply Brief will show, the Union’s own arguments demonstrate the flawed nature of the Union’s Offer.

**a. The Union’s Wage Schedule Change Does Not Contain a True or Meaningful *Quid Pro Quo*.**

The Union casts its decimation of the parties’ two-tier wage schedule—which the parties voluntarily and mutually bargained into the contract 10 years ago—as a *quid pro quo* due to the pay freezes implemented to steps A-E for 2019 and steps B-E for 2020 and the pay decreases applied to steps B-E for 2021. (Union Brief, pp. 17–18). However, the Union’s contention is

undercut by various data points the Union conveniently ignores, as well as the Union's attempt to attack the City's costing of the parties' wage proposals.

For example, the Union argues the two-time pay freezes and the one-time pay decrease built into its new wage scale is a sufficient *quid pro quo* to undo the parties' mutually bargained two-tier wage schedule and subject the City to a financial ticking time bomb by 2025. At the same time, the Union's Brief attacks the City's estimation that the City's wage proposal would cost \$118,237 more than the Union's proposal over the life of the 2019–2021 contract by vehemently asserting this is incorrect and, instead, arguing the Union's proposal would actually cost \$31,627 more than the City's proposal. (Union Brief, p. 8). The Union points to three isolated instances of cost savings to the City as the *quid pro quo* while simultaneously arguing its wage proposal costs more than the City's during the life of the contract. The Union's presentation of these arguments within the same Brief is cognitively dissonant. A proposal that costs more than the other party's proposal does not constitute a *quid pro quo* merely because it could have cost more but did not. But this is what the Union argues and, in doing so, the Union is effectively saying: *we could have taken more from the City, but we did not, so be grateful and consider it a quid pro quo*. And this, of course, ignores the daunting fact that the Union's proposal contains an explosion of perpetuating costs by 2025 when compared to the City's proposal, even further demonstrating the lack of a *quid pro quo* within the Union's proposal.

Various data points also unequivocally show the Union's wage proposal does not constitute a *quid pro quo*. For example, below is a table comparing the Top Firefighter/Paramedic Wages of the parties' mutually acceptable external comparables (*i.e.*, the proposed comparables neither party disputes of Fond du Lac and Kaukauna, in addition to

Sheboygan, and Two Rivers) to the Fire Union’s Top Firefighter/Paramedic Wages under the City Offer and Union Offer:

**Top FF Paramedic Wage Step<sup>1</sup>**

| <b>Municipality</b>                               | <b>1/1/2019</b> | <b>1/1/2020</b> | <b>1/1/2021</b> |
|---|-----------------|-----------------|-----------------|
| <b>CITY 2019 - 2021 OFFER</b>                     |                 |                 |                 |
| Manitowoc - Schedule A - hired before 8/1/09      | 75,092          | 76,292          | 77,492          |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 68,204          | 69,404          | 70,604          |
| <b>UNION 2019 - 2021 OFFER</b>                    |                 |                 |                 |
| Manitowoc <sup>2</sup>                            | 73,916          | 75,140          | 76,333          |
| <b>COMPARABLES</b>                                |                 |                 |                 |
| Fond du Lac                                       | 73,232          | 75,062          | 77,127          |
| Kaukauna  | 66,591          | 68,256          | 69,621          |
| Sheboygan (Sched. H)                              | 69,914          | 71,312          | 71,312          |
| Two Rivers - hired on or before 1/1/11            | 62,504          | 64,373          | 66,336          |
| Two Rivers - hired after 1/1/11                   | 64,996          | 66,959          | 68,985          |

\* Any repeated numbers are due to settlements not yet being reached.

| <b>Manitowoc's Rank under City Offer</b>          |        |        |        |
|---|--------|--------|--------|
| Manitowoc - Schedule A - hired before 8/1/09      | 1 of 6 | 1 of 6 | 1 of 6 |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 3 of 6 | 3 of 6 | 3 of 6 |
| Manitowoc's Rank under Union Offer                | 1 of 6 | 1 of 6 | 2 of 6 |

(City Exs. 18.B.5–B.8).

The data above shows that, under the Union’s proposal, roughly 20 members of the bargaining unit would be immediately shifted to a wage schedule that provides a top-step firefighter/paramedic wage approximately \$5,700 more than what a top step firefighter/paramedic would receive on Schedule B under the City’s proposal. Further, the data shows this shift would move those 20 bargaining unit members to a wage schedule that pays top

1. Any repeated numbers are due to settlements not yet being reached.  
 2. The Union’s and City’s wage numbers include both the base wage and paramedic premium.

step firefighters/paramedics approximately \$4,000 to \$8,500 more per year more than all of the parties' mutually identified external comparables, with the exception of Fond du Lac. It cannot seriously be concluded that the Union's wage proposal—which results in a monumental shift of the top wage rate currently available to 20 bargaining unit members and which so drastically escalates the earning capacity of them and all future bargaining unit members above the earning capacity of the parties' mutual external comparables—is a *quid pro quo* in any sense of the term.

b. **The Union's Wage Schedule Change Does Not Address the Claimed Need In As Limited A Manner As Possible.**

Throughout the Union's Brief, it repeatedly complains that the City suffers from morale and retention issues in the Fire Department and that Schedule B bargaining unit members have lower morale because they are paid less than their fellow Schedule A bargaining unit members for doing the same work. (Union Brief, pp. 11–14). According to the Union, it is this morale and turnover which serves, in part, the “need for a compelling change” supporting implementation of its one-tier wage schedule. Even if one accepts the Union's contention that this “claimed need” exists (it does not, as explained more fully in Section I.c below), the City's proposal is more effective than the Union's in addressing any morale, recruitment, and turnover issues, and the City's proposal achieves this outcome in careful and limited fashion than the Union's proposal.

Specifically, the City's proposal maintains the *status quo* of Schedules A and B while compressing the present wage gap within the bargaining unit by providing a greater total wage increase to workers on Schedule B and to newer employees on lower steps due to the flat-payment nature of the City's wage proposal and paramedic premium. To the contrary, the Union's proposal decimates the *status quo*, and creates a new schedule that needlessly reduces the starting and lowest tier wage rates while increasing the wage gap between the top and bottom earners within the bargaining unit. The Union Offer also provides a lesser wage increase to

lower-tiered earners due to the Union’s percentage-based proposal and wage schedule restructuring. The obvious greed exercised by the Union in creating its one-tier wage schedule to preserve and enhance the top wage rates at the expense of all else precludes the Union’s proposal from addressing the claimed “need” from poor morale and retention. Making the City a less attractive employer for new hires is not a consequence the City should bear from the Union’s Offer.

Based on the Union’s argument that the Fire Department’s morale and retention issues are due to employees working under a two-tier wage schedule, one would anticipate the Union’s wage schedule would bring the two schedules into harmony by compressing the top steps of Schedule A toward B and raising the lower steps on Schedule B to bring harmony to the bargaining unit’s wage rates and to increase overall compensation among the bargaining unit. But this is not what the Union’s one-tier wage schedule does. Instead, the Union’s one-tier wage scale creates a greater disparity between the “haves” and the “have nots” within the bargaining unit by maintaining an extremely robust top-step firefighter/paramedic wage rate akin to that provided for under Schedule A and creating a bottom firefighter/paramedic wage step that is lower than the current bottom step under the City’s proposal for Schedule B firefighter/paramedics. This can be seen in the Top Firefighter/Paramedic Wage Step and Starting Firefighter/Paramedic Wage Step tables below:

| <b>Top FF Paramedic Wage Step</b>                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
|   | <b>1/1/2019</b> | <b>1/1/2020</b> | <b>1/1/2021</b> |
| <b>CITY 2019 - 2021 OFFER</b>                     |                 |                 |                 |
| Manitowoc - Schedule A - hired before 8/1/09      | 75,092          | 76,292          | 77,492          |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 68,204          | 69,404          | 70,604          |
| <b>UNION 2019 - 2021 OFFER</b>                    |                 |                 |                 |

|           |        |        |        |
|-----------|--------|--------|--------|
| Manitowoc | 73,916 | 75,140 | 76,333 |
|-----------|--------|--------|--------|

(City Exs. 18.B.5–B.8).

As set forth in the Table above, the Union’s top-step wage for firefighter/paramedics is only approximately \$1,100 less than the top step of Schedule A under the City’s proposal, but the Union’s top wage step is approximately \$5,700 higher than the top step of Schedule B under the City’s proposal by 2021.

Even if the Union’s increased top-step wage rate initially seems to address the Union’s “claimed need,” a look at the Union’s bottom-step starting wage rate shows that, while the Union claimed to be careful—they were greedy—because they robbed the starting wage rates to pump up the wage schedule. This is evidenced in the Starting Firefighter/Paramedic Wage Step Table below. This greed prevents the Union from addressing the “claimed need.”

| <b>Starting FF Paramedic Wage Step *</b>          |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
|   | <b>1/1/2019</b> | <b>1/1/2020</b> | <b>1/1/2021</b> |
| <b>CITY 2019 - 2021 OFFER</b>                     |                 |                 |                 |
| Manitowoc - Schedule A - hired before 8/1/09      | 60,764          | 61,964          | 63,164          |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 53,852          | 55,052          | 56,252          |
| <b>UNION 2019 - 2021 OFFER</b>                    |                 |                 |                 |
| Manitowoc   | 52,522          | 53,436          | 54,375          |

(City Ex. 18.B.5–B.8).

As the Table above shows, if the Union’s one-tier wage schedule is implemented, starting firefighter/paramedics would receive anywhere from \$1,300 to \$1,900 less per year than starting firefighter/paramedics under the City’s proposal. The structure of the Union’s wage proposal completely undermines the Union’s contention that the need for its one-tier wage schedule is to address morale and retention, because the Union’s wage schedule provides a lower starting wage



rate to future applicants while simultaneously creating an even larger pay disparity than what would exist under the City's wage proposal. For example, in 2019, there would be a \$21,240 pay gap between the bottom of the City's B Schedule and the top of the City's A Schedule, but there would be a \$21,394 pay gap between the bottom and top steps of the Union's one-tier schedule (*i.e.*, there is a \$154 greater wage gap under the Union's one-tier schedule in 2019). What's more, this discrepancy gets worse as the years go on—in 2020, there would again be a \$21,240 pay gap between the bottom of the City's B Schedule and the top of the City's A Schedule, but there would be a \$21,958 pay gap between the Union's bottom and top steps (*i.e.*, there is a \$758 greater wage gap under the Union's one-tier schedule in 2020).

Comparing the yearly total base wage increases awarded to new hires and top earners under each party's proposal further undercuts the Union's claim that its one-tier wage schedule is designed to address morale and retention. Specifically, under the City's proposal a brand-new firefighter/paramedic hired on January 1, 2019 would receive 21.30% base wage increase over the life of the 2019-21 contract, inclusive of step progressions (*i.e.*, a 0%, 11.18%, and 10.12% base wage increase for 2019, 2020, and 2021, respectively). But under the Union's proposal, that same brand-new firefighter/paramedic hired on January 1, 2019, would receive only a 13.48% base wage increase over the life of the contract, inclusive of step progressions (*i.e.*, a 0%, 8.93%, and 4.55% base wage increase for 2019, 2020, 2021, respectively). Likewise, under the City's proposal a firefighter/paramedic on the top step of Schedule A would receive a 5.13% base wage increase over the life of the contract (*i.e.*, a 1.74%, 1.71%, and 1.68% base wage increase for 2019 through 2021, respectively), and a firefighter/paramedic on the top step of the Union's one-tier wage schedule would receive a 4.50% base wage increase over the life of the contract (*i.e.*, a 1.00%, 1.75%, and 1.75% base wage increase for

2019 through 2021). In sum, these numbers establish the City’s proposal provides 7.19% more in total base wage increases to the lowest earners than the Union’s proposal (*i.e.*, (21.30% - 5.13%) – (13.48% - 4.50%) = 7.19%). Importantly, this disparity becomes even greater when one factors in the parties’ respective paramedic premium proposals due to the flat-nature of the City’s proposal and the greater impact the flat-fee premium has on the bargaining unit’s lower earners. This significant disparity within the Union’s Offer could affect recruitment and retention, especially when considering the City’s Offer still provides a vigorous and competitive wage adjustment for top-step employees.

While the Union’s Brief compares top wages under the City’s proposal and top wages under the Union’s proposal against the Union’s selected external comparables in an effort to show the Union’s proposal does more to address retention and recruitment<sup>3</sup>, the Union conveniently omitted the starting wages under each party’s proposal when doing that same comparison to the Union’s proposed external comparables. The City believes that data is important for the Arbitrator to analyze, and below is a table setting forth that comparison of the Starting Firefighter/Paramedic wage step to the Union’s proposed external comparables.

| <b>Starting FF Paramedic Wage Step *</b>          |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| <b>Municipality</b>                               | <b>1/1/2019</b> | <b>1/1/2020</b> | <b>1/1/2021</b> |
| <b>CITY 2019 - 2021 OFFER</b>                     |                 |                 |                 |
| Manitowoc - Schedule A - hired before 8/1/09      | 60,764          | 61,964          | 63,164          |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 53,852          | 55,052          | 56,252          |
| <b>UNION 2019 - 2021 OFFER</b>                    |                 |                 |                 |
| Manitowoc   | 52,522          | 53,436          | 54,375          |
| <b>COMPARABLES</b>                                |                 |                 |                 |

3. It should be noted the table on page 20 of the Union’s Brief is extremely flawed as it contains numerous wage numbers that are inflated, such as including longevity pay within Sheboygan’s wage numbers.

|   |        |        |         |
|---|--------|--------|---------|
| Appleton  | 58,677 | 59,259 | 59,047  |
| Appleton - hired after 1/1/11 (phased out eff. 10/1/20) | 56,451 | 57,013 | N/A     |
| DePere  | 58,332 | 59,645 | 59,645* |
| Fond du Lac   | 50,879 | 51,151 | 53,585  |
| Green Bay   | 58,483 | 60,080 | 61,282  |
| Kaukauna  | 53,654 | 54,995 | 56,095  |
| Neenah/Menasha  | 47,370 | 48,187 | 49,140  |
| Oshkosh   | 49,707 | 51,198 | 51,198* |
| Sheboygan   | 46,141 | 47,064 | 47,064* |
| Two Rivers - hired on or before 1/1/11                  | 53,260 | 54,862 | 56,493  |
| Two Rivers - hired after 1/1/11                         | 55,386 | 57,046 | 58,764  |

\* Any repeated numbers are due to settlements not yet being reached.

| Manitowoc's Rank under City Offer                 |         |         |         |
|---|---------|---------|---------|
| Manitowoc - Schedule A - hired before 8/1/09      | 1 of 12 | 1 of 12 | 1 of 11 |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 6 of 12 | 6 of 12 | 6 of 11 |
| Manitowoc's Rank under Union Offer                | 8 of 12 | 8 of 12 | 7 of 11 |

(Union Brief, p. 20; City Exs. 18.B.5–B.8; City Ex. 17).

One look at this table makes it obvious why the Union omitted this starting wage rate data from its Brief—it unequivocally establishes the City’s proposal provides a higher and, thus, more competitive starting wage rate than the Union’s proposal over the life of the contract, both when compared against one another and when compared against the Union’s selected external comparables. If the Union were really concerned about morale and retention, then the Union would not have pushed the starting rate so low as to reduce the City’s standing under the Union’s proposed external comparables.

A comparison of the parties’ wage proposals against the parties’ mutual external comparables—Fond du Lac, Kaukauna, Sheboygan, and Two Rivers—yields the same conclusion:

| Starting FF Paramedic Wage Step * |          |          |          |
|-----------------------------------|----------|----------|----------|
| Municipality                      | 1/1/2019 | 1/1/2020 | 1/1/2021 |

| <b>CITY 2019 - 2021 OFFER</b>                     |        |        |        |
|---|--------|--------|--------|
| Manitowoc - Schedule A - hired before 8/1/09      | 60,764 | 61,964 | 63,164 |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 53,852 | 55,052 | 56,252 |
| <b>UNION 2019 - 2021 OFFER</b>                    |        |        |        |
| Manitowoc   | 52,522 | 53,436 | 54,375 |
| <b>COMPARABLES</b>                                |        |        |        |
| Fond du Lac                                       | 50,879 | 51,151 | 53,585 |
| Kaukauna  | 53,654 | 54,995 | 56,095 |
| Sheboygan   | 46,141 | 47,064 | 47,064 |
| Two Rivers - hired on or before 1/1/11            | 53,260 | 54,862 | 56,493 |
| Two Rivers - hired after 1/1/11                   | 55,386 | 57,046 | 58,764 |

\* Any repeated numbers are due to settlements not yet being reached.

| <b>Manitowoc's Rank under City Offer</b>          |        |        |        |
|---|--------|--------|--------|
| Manitowoc - Schedule A - hired before 8/1/09      | 1 of 6 | 1 of 6 | 1 of 6 |
| Manitowoc - Schedule B - hired on or after 8/1/09 | 2 of 6 | 2 of 6 | 3 of 6 |
|   |        |        |        |
| Manitowoc's Rank under Union Offer                | 4 of 6 | 4 of 6 | 4 of 6 |

(City Ex. 18.B.5–B.8).

Instead of continuing to be one of the most attractive and competitive starting wage rates under the City’s proposal and continuation of Schedule B, the Union proposal needlessly reduces the City’s standing against these four communities who the parties mutual agree should be external comparables. Thus, no matter which comparables are used, it is unquestionable the City’s wage proposal not only provides a larger pay increase to the bargaining units’ lowest earners than the Union’s proposal, but the City’s wage proposal also provides for the more competitive starting wage rate than the Union’s proposal and preserves the City’s standing in the pack rather than reducing the City to the bottom half of starting rates for no good reason.

When one considers the parties' respective paramedic premium proposals, the City's proposal once again out-performs the Union's proposal with respect to benefiting the lowest earners in the bargaining unit and aiding the City in recruitment and retention of those firefighters. The City proposal provides a flat payment of \$5,000 per year under the City's proposal (an increase from \$4340 for Schedule B earners in 2018) versus the Union's proposal to index paramedic pay on new Step H resulting in \$4,870 per year in 2019 (which is still a jump from \$4340 under the *status quo* Step E at the end of 2018). On pages 19 and 20 of the Union's Brief, the Union repeatedly claims the City's flat paramedic premium constitutes a change to the *status quo* without establishing a "compelling need" to support that change. The Union's argument is self-defeating and ignores the importance of the City's objectives with paramedic pay. First, the Union's own proposal constitutes a change to the *status quo*. The Union escalates the paramedic premium from seven-percent of step E on the parties' current two-tier wage schedule to seven-percent of the new Step H on the Union's new wage scale. While it is true the Union's proposal maintains a seven-percent paramedic premium pay, it indexes the premium to an entirely new, higher wage step that does not presently exist and which will only be created if another *status quo* of the parties—the decade-old two-tier wage schedule—is upended. Such drastic adjustments to the parties' contract cannot be considered maintaining the *status quo*. Second, both at hearing and within its Initial post-hearing Brief, the City repeatedly stated its proposal is designed to make the City an attractive place to work and to provide the City with predictable and stable costs moving forward. The City's flat paramedic premium achieves both of these goals. Third, while the Union claims the need to provide lower-paid bargaining unit members with a greater pay increase only exists due to the parties' two-tier schedule, this argument ignores reality of the proposals. Total starting wages—including paramedic pay—

under the City's proposal are higher than the total starting wages under the Union's proposal. Fourth, the Union proposal on Paramedic pay also contains another flaw. The Union proposal reflects having cake and eating it too, because the Union wants to not only move all employees to be eligible for the higher top wage step, the Union also wants a \$600 bump in paramedic premium pay for all employees by indexing paramedic pay on the new Step H. In sum, the Union's arguments regarding the City deviating so far from the *status quo* on paramedic premium pay should not be given any serious weight. The City proposal reflects an amount that is more than 7% of pay for most employees and is well within the ballpark of the paramedic premium amounts offered by the external comparables.

In being too covetous to secure a significant, new top-wage rate for current Schedule B bargaining unit members, the Union neglected the less senior members of its bargaining unit and future new hires. This error is fatal to the Union's claim that its wage schedule seeks to address morale and retention issues for two other reasons. First, the Union's one-tier wage schedule ignores the obvious premise that new hires will only come to the City if they are offered a competitive wage. The City's Offer provides for such a good competitive starting wage; the Union's Offer does not. Second, despite bemoaning morale is low because employees are being paid unequally for doing the same work, the Union's wage proposal expands the pay disparity within the bargaining unit by freezing steps rather than growing those rates to encourage retention like the City proposal. The City's proposal on the other hand shrinks the pay disparity and is more beneficial to those moving through the steps A–E on Schedule B. The City's proposal shrinks the disparity immediately through a more competitive wage structure and ends the disparity over time through the eventual self-evaporation of Schedule A and preservation of

Schedule B as the lone schedule. It is therefore evident the City’s proposal is more effective than the Union’s in addressing any existing but also future morale, recruitment, and turnover issues.

Furthermore, the City’s proposal addresses the claimed “need” in a tailored and more limited fashion than the drastic wholesale changes of the Union’s proposal. This can be seen by comparing long-term costs of the Union’s and City’s respective wage proposals for a firefighter/paramedic hired on January 1, 2019, during the years 2025–2028 (*i.e.*, the years in which a firefighter/paramedic is climbing the top of the wage schedule). This comparison is set forth in the tables below.

| <b>Cost of FF/Paramedic Hired on 1/1/2019 Under City's Proposal</b> |             |             |             |             |                  |
|---|-------------|-------------|-------------|-------------|------------------|
| <b>Year</b>   | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>Sum</b>       |
| <b>Total Wages</b>  | \$70,604    | \$70,604    | \$70,604    | \$70,604    | <b>\$282,416</b> |
| <b>Base Salary</b>  | \$65,604    | \$65,604    | \$65,604    | \$65,604    | -                |
| <b>Paramedic Premium</b>  | \$5,000     | \$5,000     | \$5,000     | \$5,000     | -                |

| <b>Cost of FF/Paramedic Hired on 1/1/2019 Under Union's Proposal</b> |             |             |             |             |                  |
|--|-------------|-------------|-------------|-------------|------------------|
| <b>Year</b>  | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>Sum</b>       |
| <b>Total Wages</b>   | \$72,781    | \$76,333    | \$76,333    | \$76,333    | <b>\$301,780</b> |
| <b>Base Salary</b>   | \$68,484    | \$72,036    | \$72,036    | \$72,036    | -                |
| <b>Paramedic Premium</b>   | \$4,297     | \$4,297     | \$4,297     | \$4,297     | -                |

Based on the above-data points, a firefighter/paramedic hired on January 1, 2019, would receive \$19,364 more in the back-half of their career under the Union’s proposal than under the City’s proposal (\$301,780 less \$282,416 equals \$19,364). Importantly, this cost is significantly underrepresented, as it is the cost for one employee out of a fifty-one-member bargaining unit (at least half of which would be at the top step of the Union’s wage schedule), and this cost does not include the \$5,729 cost difference between the parties’ proposals that perpetuates year-over-year once a firefighter/paramedic reaches the top step of the parties’ respective wage proposals (*i.e.*, \$76,333 (the Union’s top step) less \$70,604 (the City’s top step) equals \$5,729). While the

Union claims its wage schedule distributes implementation costs over time, the aforementioned data unequivocally shows that the Union's implementation costs are felt both immediately and long-term due to the Union's decision to elongate, instead of compressing together, Schedules A and B. This data also shows the Union's one-tier wage schedule does not address the claimed need—it makes the pay disparity within the bargaining unit worse. And what's more, the Union approached the claimed need in much too broad of a fashion, as its proposal unnecessarily decimates the parties' voluntarily and mutually bargained *status quo* while imposing an unavoidable and perpetuating explosion of costs on the City by 2025.

The above-costing of a new firefighter/paramedic hired under either parties' proposal during 2025-2028 also undercuts the hypothetical on page 16 of the Union's Brief, wherein the Union contends that the City's long-term costing fails to account for costing savings of a top-step Schedule B firefighter/paramedic promoted to lieutenant under the Union's wage schedule. Immediately following this hypothetical, the Union stated:

What the City appears to be complaining about is the lost savings it might realized if the two-tier system is permitted to continue three years into the future. So, it is a loss of a cost savings, not an increase cost of operations, that it is complaining about. The City has no right under this contract to a specific salary two years after this contract has expired.<sup>4</sup>

(Union Brief, at p. 16). The Union's hypothetical fails to recognize a top-step firefighter/paramedic promoted to lieutenant would not automatically be replaced by a new hire. Instead, a vacancy created in the Lieutenant ranks might be filled by a lateral hire of equal experience. If this were to occur under the Union's proposal, the City would be required to pay

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4. Here too, the Union's own argument undermines other arguments set forth in its Brief. The Union bemoans the City's flat-rate paramedic premium, because it requires future bargaining to increase it, whereas the Union's proposal to maintain a percentage-based paramedic premium allows for increases with future wage increase; however, as the Union itself contends, the Union does not have a right to a future paramedic premium beyond the term of the 2019-2021 contract. If it wants an increase, it can bargain for one. Certainly, bargaining for an increase in paramedic pay is much easier than the City begging for substantial wage cut to the wage schedule in order to avoid the 2025 eruption.



that lateral hire approximately \$5,700 per year more than if that same lateral hire were brought in under the City's proposal. Despite the Union's attempt to portray it otherwise, this increase of costs under the Union's proposal represents an increase of \$5,700 in operational costs. Further, these added operational costs would be incurred for every firefighter/paramedic at the top step of the Union's wage schedule, and they reoccur year-after-year.<sup>5</sup> Thus, even if the Union's hypothetical occurs more often than not, any savings experienced by the City would still be subsumed by the higher wages paid to top-step firefighter/paramedics.

Throughout the Union's Brief, it also attacks the City's costing of the Union's wage proposal, claiming Finance Director Corbeille made "no effort." (Union Brief, at pp. 9–11). As an initial matter, it is unreasonable to expect Finance Director Corbeille to predict with precision when each and every retirement will occur and the experience level of the employee that retiree will be replaced with. Further, as is the case in every interest arbitration, it is much easier for each party to cost their own proposal than it is to cost the other party's proposal. This is simply a matter of fact given each party knows the intent behind their proposal and has access to all necessary data. Each party could spend eternity attacking the other's costing methods, but at the end of the day, all that matters is what the result of each party's proposal would be.

In this regard, it is abundantly clear that, despite the Union's claims of low morale and poor recruitment and retention, the Union's wage scale fails to address this claimed "need." Instead, the Union's wage scale makes these issues permanently worse, as the Union's proposal provides for lower starting pay than the City's proposal and it elongates the wage scale keeping

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5. While the Union attempts to claim "[t]he Union proposal's cost is in close parity of the City's proposal," this perpetuating addition of operational costs extrapolated across the bargaining unit shows the falsehood of this claim. As noted in the City's Initial Brief and as testified to repeatedly by Finance Director Corbeille, it is this perpetuating cost that results in a financial explosion in 2025 under the Union's proposal. Therefore, it is clear the "greater weight factor" heavily favors the City's proposal, particularly when you take into consideration COVID-19 and the financial impact it has and will continue to have on the City.

those newer employees at the lower end of the pay steps. This issue only grows worse as the years pass under the Union’s proposal. On the contrary, the City’s proposal is both consistent with the *status quo* and provides a self-resolving solution to the Union’s claimed issues—it continues to keep bargaining unit wages steady under Schedule B and competitive among both internal and external comparables, it eliminates the pay disparity between Schedules A and B due to the self-evaporating nature of Schedule A, and it provides a more competitive starting wage than the Union’s proposal. Importantly, the City’s proposal achieves all of these outcomes while providing the City with predictable and stable short-term and long-term operational costs. Simply put, over the next decade as Schedule A likely grows closer to its end, the City’s proposal will have resolved the Union’s claimed “need” for a change while simultaneously protecting the financial stability interests of the City and its taxpayers, whereas the Union’s proposal will have worsened its claimed “need” for a change and subjected the City and its taxpayers to an explosion in operating costs.

c. **There Is Simply Not A Compelling Need for the Union’s Wage Schedule Change.**

The Union appears to cite to two needs for a change as supporting the replacement of the parties’ decade-old, voluntarily bargained two-tier wage schedule (designed to phase out Schedule A over time) with the Union’s new one-tier wage schedule. The Union cites to morale and turnover within the Fire Department, as well as claiming the Union offer receives support from external comparables. The Union cited turnover numbers between 2010 and present and attempted to add context to those numbers by citing to the testimony of a current Schedule B firefighter/paramedic and two former Schedule B firefighter/paramedics who transferred to Green Bay Metro. (Union Brief, pp. 11–14; 20). For a variety of reasons, the Union’s attempt to establish a compelling need in this area has fallen significantly short.

As an initial matter, as thoroughly established in Section I.b. above, it is unquestionable the City's proposal does more to shrink the current pay gap between the lowest and highest paid members of the bargaining unit and provides a more competitive starting wage rate than the Union's proposal. Further, the issue the Union complains of—the existence of Schedule A—is self-resolving under the City's proposal and the status quo, as it will evaporate once the last Schedule A employee ends employment. These self-executing outcomes under the City's proposal, which result from maintaining the *status quo*, sharply cut against the Union's argument that a compelling need exists to so drastically change the *status quo*.

Additionally, the Union's repeated attempt to hold Green Bay Metro out as a comparable for purposes of establishing a morale and retention issue is absurd. A basic comparison of Manitowoc's and Green Bay's fire department budgets, total number of employees, different service levels, populations, and economic and socioeconomic data makes it abundantly clear Manitowoc and Green Bay are nothing alike. (City Exhibits 16.A.1–16.B.7). Simply because employees chose to go from one employer to another does not render that employer a comparable or one that Manitowoc must be like. This is particularly true when one considers the Union was only able to put forth three witnesses who are unhappy with the City's two-tier wage schedule despite asserting all 21 employees who left between 2010 and present were disgruntled and left because of Schedules A and B. Further, it is not as if employees are flocking to Sheboygan, Two Rivers, Fond Du Lac or Kaukauna—communities both parties agree are comparables. The Union's attempt to conflate a few employees leaving for another, wholly noncomparable fire department as proof positive of a compelling need to upend the parties' decade-old *status quo* is nonsensical.

Similarly, the Union’s claim on Pages 16–17 that the lack of support among external comparables with regard to the parties’ two-tier wage system represents a compelling “need,” should be given little weight. The City and Fire Union voluntarily bargained Schedules A and B into existence a decade ago when the City was on the verge of being financially bankrupt. The City was at that time faced with the prospect of drastically adjusting future firefighter wages or implementing substantial layoffs. Just as Two Rivers found “rough justice” with its bargaining unit when it implemented a two-tiered wage schedule providing a four-percent higher wage to firefighters hired without the option of retiree health insurance, the City of Manitowoc and this Union found their “rough justice” in 2010 when they voluntarily bargained Schedules A and B into the contract. The City received a reduction in future top wages and, in exchange, the parties received greater certainty of future staffing levels and avoided other cost reductions and at the same time the Union received significant percentage wage increases all of those years. The unique circumstance faced by the parties in 2010 resulted in this contractual wage structure unique to these parties. Since 2010, the parties have bargained for additional contracts (including this contract now in dispute) with Schedules A and B present in each contract. Simply because the Union may now regret the “rough justice” the parties found in 2010 (and have voluntarily continued for the benefit of the majority of their members for a decade) does not provide a compelling “need” to change the parties’ *status quo* through unilateral implementation of a broken new wage schedule through an interest arbitration decision.

**d. The Union’s Reliance on Bargaining History that Resulted in Multiple Voluntary Settlements Misses the Point.**

On pages 20 and 22–25 of the Union’s post-hearing Brief, the Union alleges the bargaining history supports their claim and that the City is barred by equitable estoppel (without any authority for such assertion) from claiming the Union must offer a *quid pro quo* for the

Union's proposed Wage Schedule change. The Union's argument misses the point and fails to embrace the rough justice the parties found in 2010 and through subsequent voluntary settlements thereafter. When the Union and City negotiated the 2010–2012 collective bargaining agreement, both sides knew that a top-level firefighter or a lieutenant under Schedule B would make less per year than a Schedule A employee. They agreed in 2010 that a Step E firefighter under Schedule B should earn \$371 less per month in 2010 (\$4709 per month under Schedule A versus \$4238 per month under Schedule B), \$485 less in 2011, and \$500 less by 2012. (Union Ex. B.6). That 2010–2012 agreement also resulted in the Union receiving more than 9% in wage increases for Schedule A firefighters over those three years, even though the City faced significant financial turmoil. (*Id.*; City Ex. 7.A). The parties then voluntarily agreed to continue that disparity in Step E top rates between Schedule A and B for 2013 and 2014 when they agreed to apportion a percentage wage adjustment to both wage schedules, which actually pushed the top rates in Schedule A and B further apart. (Union Ex. B.10). That 2013–2014 agreement also resulted in the Union receiving more than 4% in wage increases. (*Id.*; City Ex. 7.A). If the Union was upset the City did not uphold their prior deal, then the Union should not have agreed to that significant wage increase--but they did voluntarily agree to that settlement. And once again for 2015 through 2018, the City and Fire Union agreed again that Schedule A and B should continue for the next four years. That 2015–2018 agreement resulted in the Union receiving more than 9% in wage increases over those four years. (City Ex. 7.A). As part of each of those three voluntary settlements, the Union voluntarily agreed to receive substantial wage adjustments each year and they waived their interest in claiming unfairness by not pushing their issues in those negotiations. Yet the Union has the nerve to argue that the City should be equitably estopped from claiming a *quid pro quo* is needed to end the continuation of Schedule A and B.

Such an unsupported argument by the Union begs the following question: should the Union first return to the City the wage adjustments and other benefits they received as part of those three contract settlements? The irrationality of the Union's argument is exactly why Arbitrators do not re-litigate past voluntary settlements of the parties and why the City argued as such in its Initial post-hearing Brief.

The voluntary agreements reached between these parties matter. On pages 24–25, the Union incorrectly asserts, with exuberance, that a Schedule B firefighter who remains “at a rank for a career can suffer a \$150,000 loss of income” and that somehow this is the City's fault. That argument is misleading. Both parties agreed in 2010 through the creation of Schedules A and B that the firefighters placed on Schedule B would not earn that income—they never agreed an employee would lose income. The Union and City agreed in 2010 what the starting point for Schedule B firefighters would be going forward and with the intention that all new hires would move forward on Schedule B and would not be entitled to any compensation from Schedule A. Now, the Union attempts to portray this as a “loss,” even when it was never considered earned by their own agreement. Even so, if the Union wants to play that game of suggesting the firefighters incurred a “loss” and must now recoup that loss, then the Union must accept the City's forecasting of the dire consequences of the Union's Offer to end Schedule B. That “loss” which they seek to recoup for Schedule B firefighters will cost the City dearly in the future. That dire outcome by 2025 was never intended by the parties when they created Schedules A and B a decade ago.

The bargaining history of this current round of negotiations for this 2019–2021 agreement clearly shows that the Union and City could not come up with a way to address Schedule A and B with a single wage schedule in this most-recent round of negotiations. They

tried, and the City should not be penalized for trying to work with the Union. Nor should the City be penalized by having a new flawed wage schedule forced upon them. Rather than force the parties to deal with the consequences of the Union's proposed single flawed wage schedule in the next rounds of negotiations, the parties can continue the *status quo* structure and try again.

**II. The City's Proposed Language Modifications Best Reflect the Voluntary Deal the Parties Would Otherwise Reach.**

Beginning on page 25, the Union addresses the other language proposals of the parties. A few important considerations are worth noting. First, even though the Union proposes new external comparables, the Union puts forth no support from those external comparables for its language proposals. Second, the Union ignores all other City internal groups, including the police and transit unions. There is good reason—neither internal nor external comparables provide meaningful support for the Union's positions on these language issues. Likewise, the Union has shown no *quid pro quo* for the Union's overtime proposal to modify Article 4, Section 1.C.

Before addressing the Union's arguments, it is important to reassert the importance of commonality of an employer's standard benefits available to all employees. Arbitrators give greater deference to those common benefits that are standardized and provided to employees across the employer.

The role and weight provided to internal comparables has been considered by numerous arbitrators including the undersigned. Most arbitrators have recognized the importance of maintaining some degree of equity and fairness among the various employee groups within an organization. Ignoring equity, fairness and internal settlements can erode morale and possibly impact service delivery. Often arbitrators provide greater deference to benefit issues when these have generally been standardized and provided to most employees.

*Village of Greendale*, Dec. No. 33924-A, p. 33 (Stryker 2013) (footnote omitted; emphasis added).

It is appropriate for employers to seek consistency and commonality of standard benefits across the employer for both represented and non-represented employees. *City of Oshkosh (Library and Public Works)*, Dec. No. 28284-A and 28285-A (McAlpin 1995). Such is the case here in the City of Manitowoc where more than 300 other full-time employees are subject to the same light duty and education reimbursement programs being offered by the City to this Union.

Arbitrators have recognized that once a certain benefit becomes the norm, the burden to demonstrate a compelling need in a *quid pro quo* is diminished. *Elkhart Lake Glenbeulah School District*, Dec. No. 26491 (Vernon 1990). The rationale for the diminished burden is simple:

At present, the Employer treats all workers the same regarding all the fringe benefits of health insurance, vacation, holidays and contribution to the Wisconsin Retirement System. It would really be asking for future trouble, not to mention bad feelings, conflict and poor morale if it changed now with one of its bargaining units.

*Washington County (Deputies)*, Dec. No. 29379, (Flaten 1999). Because all of the other employees of the City are covered by these similar benefits, the firefighters should follow the pattern and practice set as the City's approach reflects an important, common sense and practical goal. Such an approach favors internal comparability and the interests and welfare of the public.

Beginning on page 25, the Union offers no defense of the merits of the Union's overtime proposal to amend Article IV, Section 1.C to provide an overtime premium for work performed during the employee's normal shift but outside the regular duty day. Instead, the Union attacks the process that lead to them proposing their change to Article IV, Section 1. C. and this nonsensical obligation for the City to pay an overtime premium to employees for performing their normal work at parades, football games, trainings, and other activities outside of



the duty day but still within the firefighter's normal shift. The City has a legal right to pursue a declaratory ruling. The City has every right to not like the status quo, to view specific language as inefficient and intrusive of the policy-making authority of the City. That doesn't mean the City did something wrong by challenging various parts of the contract through a declaratory ruling. It also doesn't make the Union's proposed language justifiable. The City has articulated ample reasons why the Union's proposed overtime change must fail, including reasons showing the Union's proposal has no support from any comparable—internal or external—and compromises the interests and welfare of the public and the City's long-standing fiscal efficiency and City-wide approach to reduce and eliminate overtime.

On page 27, the Union addresses the promotional processes. The need for the change to promotions is apparent. Chief Blaser serves with only one other non-union supervisor. Chief Blaser lost his second Deputy Chief for 2021, and he relies on the leadership of his unionized Lieutenants at each station. The current promotional system has not produced any Lieutenants except for those who are senior and on Schedule A. The current system complicates those efforts and both sides agreed to change the current system by making proposals to change Article 6. The Union claims the City has not shown any comparable support for its proposal. But the City has presented such evidence and the evidence shows that both internal and external comparables support not mandating that the Chief promote the most-senior qualified employee like the Union proposal demands. The Union asserts the City has not provided narrow tailoring. The Arbitrator should examine the detailed and reasoned promotional process prepared by Chief Blaser found in City Exhibit 15. Chief Blaser's thoughtful approach respects the Mission, Vision, and Values of the Fire Department, sets forth expectations for the promotional process and for outcomes, and his process creates opportunity for all bargaining unit members, not just

the most senior who are qualified and apply. The Union claims this is radical. If it is, then so is the promotional approach used by the Manitowoc Chief of Police and the external comparables who are not bound to promote the most-senior qualified applicant and which clearly support the City's proposal.

On pages 28 and 29, the Union attacks the City for proposing changes to the education benefit<sup>6</sup> and proposing to utilize the City's tuition reimbursement program, accusing the City of adopting a policy for all City employees and then attempting to force the Union to accept it while striking multiple paragraphs from the contract. Such an assertion is contrary to the evidence presented at the hearing. What the City's proposal does do to Article 9, Section 6 is important. The City's proposal preserves the maximum \$64.00 per month tuition credit for firefighters while striking archaic language in those paragraphs. The City then pursues administrative efficiency by having firefighters utilize the Tuition Reimbursement Policy for determination of eligibility for tuition reimbursement, just like all other City employees. As noted at the hearing and in the City's Initial Brief, the firefighters (and the police officers and all other City employees) already use this Tuition Reimbursement program and have for several years. The need for the change is clear—the City is simply codifying what is already being done. Likewise, the City is working to streamline administration of common benefits for all City employees. The proposal is also properly tailored as it preserves the up to \$64.00 per month credit firefighters currently receive and sets those firefighters up to use the tuition reimbursement program that the City already uses for them. The City's proposal has internal support as it is in line with the program for all other City employees—including police and transit union employees. The city

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6. The Union references "Article 24, Section 1," in the Section heading on page 31, but we think they mean Article 9, Section 6 as they appear to refer to the continuing education section. The Union does not raise a direct challenge to Article 24, Section 1 in this part.

has provided a generous wage and paramedic pay adjustment for employees, in addition to the benefits for firefighters within this program.

On page 29, the Union provides no direct arguments addressing the City's proposal to modify the light duty program, the Union and City proposals to modify Article 24 involving physical examinations, and the City's laundry and linens proposed change. The City has provided significant evidence and argument as to the need to change the light duty program, the support from internal and external comparability, and the need for the other proposed changes and careful approach taken by the City. These proposed changes by the City are important, both for administration of benefits and also for commonality of similar benefits as to the administration of light duty. Again, the city has provided a generous wage and paramedic pay adjustment for employees. As the Union has not argued the merits of these proposals, the Arbitrator should weigh the City's arguments favorably and with weight to selection of the City's Final Offer.

**III. The Union's Arguments For Their Proposed Comparability Pool Ignore Reason and No Support Exists for Selection of those Comparables.**

The Union asserts three challenges to the City's proposed external comparables: geographic remoteness, the purported agreement reached at the bargaining table, and a suggestion for the Arbitrator to withhold a decision on the comparables until "the time that they count." The Union's last argument undermines their second argument and begs the question—if such an agreement as to comparables was reached by the parties, then why disregard the comparables and suggest no comparables be decided by the Arbitrator? And if that is the Union's position, then the Union's argument that low morale is causing employees to flock to

Green Bay Metro thus rendering Green Bay Metro as a comparable also must get tossed to the wayside. Nonetheless, the Arbitrator can find the external comparables proposed by the City are for good and justifiable reasons and also support the City's final offer.

On page 30, the Union claims the City purchases the "breadbasket of goods" from northeast Wisconsin. The City does not purchase labor from northeast Wisconsin. Fire Chief Blaser testified that he stopped using the Fox Valley hiring consortium. The City found that purchasing labor through the Fox Valley hiring consortium was a flawed approach, and the City now uses NeoGov with an approach that is specific and tailored to Manitowoc and focuses statewide rather than on the Fox Valley. Without authority, the Union then claims "new talent begins first in paid-on-call or volunteer positions in the very small rural communities within 50 miles of their subsequent full-time departments." No evidence supports that or suggests that is how the City recruits and hires. Even so, if the Union believes that Fond Du Lac should be a comparable at 62 miles from Manitowoc, then why not West Bend at 65 miles (especially since West Bend quite closely resembles Manitowoc in population, geographic style as a standalone community, service level, and other criteria). The City has provided ample authority suggesting the City's proposed comparables are communities that closely resemble Manitowoc. The Union has provided no authority suggesting that only close geographic proximity matters and is dispositive of other considerations the issue of comparability. The City in its Post-Hearing Brief provided authority to the contrary suggesting a broad view of geographic proximity is appropriate for selection of comparables. That is also why the City considered other communities like Janesville and Beloit but ultimately rejected those communities on other grounds.

On pages 30–33, the Union attempts to claim there was a deal struck. But the testimony of Lieutenant Johnsrud shows no deal was struck. Lieutenant Johnsrud claims he was “under the impression” an agreement was reached. But nothing suggests the City shared in that “impression.” Instead, the City’s witnesses—including the witness Director Lillibridge who prepared Union Exhibit G-2—testified that no agreement was reached at that meeting and that the City took no action in reliance of such an agreement.

On page 33, the Union suggests the Arbitrator could punt and not address the inclusion of additional communities as comparables. The Union then mischaracterizes the evidence by suggesting that Schedule B firefighters “continue[] to significantly lag behind even in those comparable communities” proposed by the City. But that is not the case. The City’s proposal maintains its competitive position and ranking in the middle of the pack in those communities for Firefighters in Schedule B. Further, Schedule A firefighters remain at the top of the pack under the City’s Offer. The City’s Initial Brief analyzes this information.

Of note is the Union’s analysis at the bottom of page 33 and top of page 34. The Union suggests an “apples-to-apples comparison [is] difficult” for Manitowoc to the communities of West Bend, Wausau, Stevens Point, and Wisconsin Rapids because of how the communities calculate EMS and paramedic premiums. That is not the case, as the City calculated this data and presented the compensation structures for consideration by the Arbitrator in City Exhibit 18 and 19. But the Union’s argument raises the following important consideration—communities who have employees perform paramedic-level duties and critical care paramedic level services recognize the difference in the job responsibilities than communities that do not have employees performing these services like Appleton and Neenah-Menasha. While the way these paramedic-certified employees are paid is more complicated in each of these communities, the point is that

these employees are paid more for doing different work. That is exactly why the communities of Appleton and Neenah-Menasha are not comparables of Manitowoc. Those employees do not perform paramedic-level duties and only perform basic emergency medical rescue. The Union's point also supports the City's position of paying paramedics with a flat lump sum, because as the Union notes in their analysis on pages 33–34, each community pays a different premium level for paramedic pay. Manitowoc's \$5000.00 paramedic premium is well within the ballpark of the premiums paid by these external comparables, but the sum is designed to provide a recruiting advantage for the City.

#### **IV. Conclusion**


In the end, the Arbitrator must select the City's offer as that offer is the more reasonable offer for the parties. The key factors favoring selection of the City's offer is the longstanding fiscal culture that would be disrupted without good reason and the impact to services to the community that result from the ticking time bomb explosion and overtime implications from the Union's offer. Simply put, comparability and the interests and welfare of the community both heavily favor the City's offer. The City offers a wage package that is highly competitive from the percentage adjustment standpoint when adjusted accordingly, but also an offer that enhances the wages to a greater degree for newer and Schedule B employees rather than the Union's percentage-based approach that only benefits the most-senior employees. The City's offer preserves the ability to recruit and retain personnel rather than creating a structure where employees hired during the term of the Agreement have significant variance in their wage rates over the three years of the contract as well as a lower starting rate as the Union's offer creates. The City is trying to modernize and professionally develop the Fire Department to a greater degree. The Union's offer stands in the way. The Union's offer is simply not supported by the

internal or external comparables to any degree. The risk of the Union's offer is simply not worth the disruption that it will cause—both to the City's budget over time, to other City employees, and to labor peace between all bargaining units in the City. These are the clearest indicators to the Arbitrator of the differences between the offers and the reasonableness of the City's offer.

While the City is fiscally cautious—and rightfully so based on its history—the City has been generous to this Union by making them some of the highest-paid employees of the City and by affording them significant wage adjustments over the past 10 years. Likewise, the City's offer does little to disrupt the *status quo* in the wage schedules and provides these employees with a healthy and competitive wage adjustment maintaining their standing among their external peers. In return, the City is simply asking for narrow changes to the Collective Bargaining Agreement that help the employees in the Fire Department become more like other City employees as it relates to standardized and common benefits. The City believes this approach is reasonable, is supported under the statutory factors, has significant support for the wage and benefit adjustments from the external comparables, particularly as the City maintains its rank standing among the external comparables with its offer. The City of Manitowoc respectfully submits that its Final Offer in its entirety is the most reasonable one before the Arbitrator and should be selected.

Respectfully submitted this 7th day of January, 2021.

By: \_\_\_\_\_

  
Kyle J. Gulya, State Bar No. 1040505  
Ryan P. Heiden, State Bar No. 1100141  
von Briesen & Roper, s.c.  
10 East Doty Street, Suite 900  
(608) 316-3177  
[kgulya@vonbriesen.com](mailto:kgulya@vonbriesen.com)  
*Attorneys for the City of Manitowoc*