[Excerpted from presentation outline of William Bracken, Labor Relations Coordinator, Davis & Kuelthau]

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

2008 SPRING CONFERENCE

And the Winner Is….

The Past Year's Developments In Interest Arbitration
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INTEREST ARBITRATION AWARDS

	2007	**2008**
Awards Rendered in Favor of Employer	**16**	**2**
Awards Rendered in Favor of Union	**13**	**0**

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2007 AWARDS

1. Racine County (Public Works), Dec. No. 31681v (Greco, 1/12/07). The primary components of this dispute were wages, active employees' premium sharing, and retiree health insurance. The Union proposed 2% wage increases effective 1/1/05 and 1/1/06, with the premium contribution for active employees to remain at 10%, and retirees with less than 10 years of service not eligible for County retirement service. There were also changes in the retirees' required percentage of premium payment based upon years of service. The County proposed a 15% employee premium sharing and wage increases of 2% on 1/1/05; 1% on 1/1/06 and 1% on 7/1/06. The County's proposal was the same as the Union's with respect to the retirees' required premium, but added that as of 1/1/2015 employees retiring with less than 15 years of service would not be eligible for County retirement insurance.

Arbitrator Greco found that the internal comparisons supported the County's offer, while the external comparables favored the Union's wage offer and its 10% premium sharing proposal. The County's retiree insurance proposal

to be effective for those retiring on or after January 1, 2015 was supported by the external comparables. The Arbitrator held that the County had proven the need to cut off County paid health insurance for retirees with less than 15 years of service due to the cost and further held that the County's proposal reasonably addressed that problem by proposing the 2015 implementation date. He stated that the lack of a *quid pro quo* on the County's part was not fatal as it is not always needed. The County's final offer was chosen.

2. City of Rice Lake (DPW), Dec. No. 31757-A (Schiavoni, 1/20/07) involved a wage dispute and language (break) changes. In this case, the City did not have internal support (not settled) and, despite the fact that the percentage increases offered by the City were less than those arrived at in the externally comparable municipalities, the Arbitrator accepted the City's final offer as being most reasonable, noting:

> [T]he City has made a fairly persuasive case that it is experiencing significant budgetary pressures for 2006 and 2007 that affect its ability and willingness to pay pursuant to the Union's proposal. The City has also shown that it has taken measures, other than simply failing to provide the average percentage wage increases offered by the other comparable cities, to address its financial difficulties. It has laid off employees, deferred capital expenditures and sought to fund its employment costs from both its general and capital expenditure funds in the recent past. The City's plan also indicates that it expects both represented and unrepresented employees to 'share the pain' equally in its attempt to balance its budget and live within its fiscal constraints.

3. In City of Rice Lake (Police), Dec. No. 31750-A (Baron, 1/24/07), the City proposed wage increases of 1.5% for each year (2006; 2007); add disability insurance benefit; convert vacation time to "personal leave" time and "buy down" of sick leave accumulated (bifurcated system). The union was seeking 3% wage increases each year and all other items to remain status quo. The Arbitrator concluded that the interests and welfare of the public would best be served by adoption of the City's final offer. The Arbitrator noted that the sick leave provision exposed the City to an unfunded liability of more than $400,000 for this unit alone. She did not know if the disability insurance was considered by the City to be a *quid pro quo* for the sick leave buyout and, therefore, made her decision without relying on that factor. The award was rendered in favor of the City.

4. Douglas County (Highway), Dec. No. 31776-A (McGilligan, 2/3/07). This case involved final offers as follows:

> Union Offer: 2.5% + $0.15 to all employees;
> 2.5%

Status quo on insurance

Employer: 2.5% + $0.15 to top steps only
2.5%
Incorporate a two-tier health insurance premium pay schedule
County to pay 100%/single and 90%/family for existing employees (status quo)
County to pay 95%/single and 90%/family for new employees

In rendering his decision the Arbitrator concluded:

> The County showed the need for insurance modifications;
> The internal comparables were supportive of the County's position;
> The external comparables were supportive of the County's position;
> No *quid pro quo* was needed

The award was rendered in favor of the County.

5. Marquette County (Highway), Dec. No. 31735-A, (Hahn, 2/20/07). The only disputed issue in this matter was the guaranteed work week of forty hours which the County was attempting to discontinue. The County offered testimony relative to its need to reduce its budget. Arbitrator Hahn commented that none of the County's remaining units had a guaranteed work week and the majority of the external counties had a guaranteed work week.

The Arbitrator then determined that the main issue would be whether a *quid pro quo* was offered by the County in exchange for eliminating the guaranteed work week. The County's wage offer was for 2% effective 1/1/06 and 1.5% effective 7/1/06. The same 2%/1.5% split was offered for 2007. The County claimed that 0.5% each July 1 was the *quid pro quo* it was offering for this change. In issuing his award in favor of the County, Arbitrator Hahn stated:

> Elimination of guaranteed hours of work language is not insignificant, but in this case, based on all the factors that I have discussed above, particularly the economic circumstances of the County, the internal and external comparables and labor stability and the wage lift, which I believe is a *quid pro quo* along with the other tentative agreements, I find the County's offer to be more reasonable.

6. City of Watertown (AFSCME), Dec. No. 31751-A (Dichter, 2/21/07). This involved a first contract between the parties. The Arbitrator determined that the Union's wage offer was the most favorable because it introduced a wage

schedule with step progressions. In addition, the Arbitrator determined that the Union's three-year wage offer was better for the parties' relationship than having to bargain again in a short period of time under the City's two-year offer. There were several other issues in dispute including layoff language, CDL suspension language, amount of sick leave accrual which can be used to offset health insurance premiums upon retirement, premium pay for work schedule changes, call back pay, use of floating holidays, and health insurance premium contributions. In the health insurance premium contribution area, the Union was not actually proposing a change, but rather attempting to influence the Arbitrator to accept its offer based on the fact that the employees' premium contribution exceeded that required by the majority of external comparables. Arbitrator Dichter awarded in favor of the Union in this dispute.

7. Rock County (DPW), Dec. No. 31679-A (Torosian, 3/29/07). The two remaining items to be decided by the Arbitrator were wages and overtime language. As both parties, as well as the Arbitrator, believed wages to be the main issue, Arbitrator Torosian decided that the overtime issue would not make a difference in rendering his award. Both parties were proposing a 2%/1% split in each of the two years (2004 and 2005) but the Union was also proposing a market rate adjustment of $0.20 for all employees effective July 1 of each year.

All of the internal units were settled at the 2%/1% split proposed by the County, thereby achieving total internal consistency. The Arbitrator then looked to the external comparables to determine if catch-up pay was warranted. Arbitrator Torosian analyzed each position's pay rate against the external comparables' pay rates. He determined that, although under the County's offer the employees fell behind the average wages rates ($0.06-$0.11), he did not believe that created a compelling need for catch-up. The Arbitrator ruled in favor of the County based upon the internal comparables.

8. City of Waupun (Police), Dec. No. 31772-A (Oestreicher, 4/2/07). The issues in dispute were wages and retiree health insurance. The union was seeking a change in the status quo on retiree health insurance with no *quid pro quo*. Arbitrator Oestreicher commented that the City did not know the full cost of retiree health benefits prior to the enactment of the new GASB accounting rules. Arbitrator Oestreicher incorporated the City's final offer into the new collective bargaining agreement.

9. Kimberly School District (Paraprofessionals), Dec. No. 31785-A (Bielarczyk, 4/30/07). In this matter, the District was seeking to alter the number of steps on the salary schedule. This concept was not accepted as reasonable by Arbitrator Bielarczyk. Some of the elements cited by Mr. Bielarczyk to be considered were:

1. The District spends less on total wages for paraprofessionals than do the comparables because it takes longer to reach the schedule maximum;
2. The District has not had difficulty in filling vacant positions;
3. The Teacher group is not a fair comparable because of the QEO law;
4. The Custodians settled for wages halfway between District's and Union's offers;
5. The District has the ability to place new hires anywhere on the schedule.

The Arbitrator rendered his award in favor of the Union.

10. City of Beaver Dam (Firefighters), Dec. No. 31706-A (Hempe, 5/31/07). This case involved wages and retiree health insurance. (City offer: 3% on 1/1/05; 1% on 1/1/06; 1% on 1/1/07; Union offer: 2% on 1/1/05, 1% on 7/1/05; 2% on 1/1/06, 1% on 7/1/06; 2% on 1/1/07 and 1% on 7/1/07). Mr. Hempe found that the external and internal comparables favored the union's offer on wages. The Arbitrator did not find the City's inability to pay argument to be persuasive, stating:

> Perhaps, as the City suggests, some of the capital improvements it believes it needs will have to be postponed. Perhaps not. In any event, the City must accept some responsibility for whatever shortfall it may experience, if any, by failing to budget any employee wage increases in its 2005 budget, yet still lowering the mill rate, that year and each of the three previous years.

The City was further proposing that the language on retiree health insurance be deleted. There was a dispute as to whether that deletion was a change in the status quo or whether the union's proposed deletion was a change in the status quo. The Arbitrator decided that maintaining the status quo meant that the City would continue to pay the retiree health benefits. He further decided that there was no "need" to change the language nor any *quid pro quo* offered by the City for such a change. Arbitrator Hempe selected the union's final offer.

11. St. Croix County Health Care Center, Dec. No. 31703-A (Petrie, 6/4/07). The offers were:

County	1/1/07	2%
	7/1/07	1%
Union	1/1/06	2%
	7/1/06	1%
	1/1/07	2%

7/1/07 1%

Arbitrator Petrie's comments regarding elements of the case included:

> A distinction must thus be made by interest arbitrators of public sector disputes, between inability to pay and unwillingness to pay, the second of which category will not normally take precedence over comparisons.
>
> While the Employer is correct that arbitrators have consistently recognized that it is the actual level of wages, rather than the percentage increases received which is the more pertinent criterion in comparing wages, this arbitral preference does not provide a basis for 'comparing' a wage freeze proposal, consisting of a zero percentage and a zero dollar and cents 'increase' against any actual wage increases received by other employees.

The Arbitrator also found the external comparables supported the union's final offer and selected the union's final offer.

12. Milwaukee County (Firefighters), Dec. No. 31600-A (Yaeger, 6/19/07). The dispute in this case involved wages and payout of sick leave at retirement. Mr. Yaeger ruled in favor of the union in this matter primarily due to the following elements of the case:

1. A wage study previously determined that the Firefighters were underpaid and in need of catch-up.
2. The wages and benefits paid to the Firefighters were funded from revenues obtained from the airlines and, therefore, would not impact the County.
3. The settlement reached with DC#48 did not support the County's offer.

13. Rice Lake (Firefighters), Dec. No. 31756-A (Gallagher, 6/27/07). The City of Rice Lake claimed to be suffering from an economic downturn and determined it must reduce the tax burden on property. It used the following methods to do so – cutting costs, cutting services, delaying debt service, spending down the general fund balance; and making temporary transfers from capital funds to the general fund. The City's wage offer was for 1.5% effective 1/1/06 and 1.5% effective 1/1/07. The Union's offer was for 2.5% effective 1/1/06 and 3.0% effective 1/1/07. The parties' dispute also involved vacations, sick leave, personal leave, and disability insurance.

At the time of the hearing, interest arbitration proceedings were pending between the City and its Streets Department, Fire Department and Police Department. After the hearing in this matter, the awards for the Streets and Police Departments came in and were in favor of the Employer.

Arbitrator Thomas Gallagher noted that: he favored the employer's position on wages because he accepted that the City had constrained finances; the wage proposal was internally consistent; and the wage information from the externals did not show a substantial need to depart from the internal pattern. He agreed with the Union that the employer's final offer on the personal leave program would take substantial benefits from the Union without providing a *quid pro quo*. Mr. Gallagher selected the Union's final offer.

14. City of Beaver Dam (Police), Dec. No. 31704-A (McAlpin, 7/07). The issues in dispute were: wages; health insurance language; cap on retiree health insurance payments; severance payments; and vacations. Arbitrator McAlpin in deciding this case, commented that police and fire units were not internally comparable to the other City units and, therefore, would not give those internal comparables determinative value. He also noted that a happy bargaining unit would serve the purposes of the citizens of the City. Arbitrator McAlpin awarded in favor of the union assigning more weight to the external comparables than to the internal comparables.

15. Florence County (Sheriffs), Dec. No. 31929-A (Engmann, 7/27/07). This was a wages only dispute. The County's offer was:

1/1/06	3.0%
1/1/07	2.0%
7/1/07	1.0%
1/1/08	2.0%
7/1/08	1.0%

The Union's offer included a listing of positions with pay rates for 2006. For this reason, I was unable to calculate the Union's wage offer for 2006. The percentages offered for 2007 and 2008 were as follows:

1/1/07	2.0%
7/1/07	2.5%
1/1/08	2.0%
7/1/08	2.4%

In attempting to justify its offer, the union noted that it ranked lowest in pay among the comparables and, further, the gap was growing with each contract. The union felt it was entitled to catch-up pay.

The County cited dire financial conditions in support of its offer as well as the claim that it had an internal settlement patter for the same percentages as offered to this sheriffs' unit. The Arbitrator noted that 78.3% of the unionized employees had settled for the same wage increases and placed great weight on internal settlements. Mr. Engmann noted that proposals for catch-up are not

easy to win because some arbitrators have often adopted the "somebody must be last" view. The Arbitrator did state that this was a "very close" case, but then went on to compare the overall package. He determined that when considering the benefits offered by the County in addition to the wages, the gap between these employees and the external comparables was not great enough to justify catch-up wages. In calculating the benefits, the Arbitrator added the dollar/cents per hour attributable to longevity, insurance, paid days off and clothing and compared that value to Florence County as well as all of its comparables.

The County offer was selected.

16. Nicolet Area Technical College Faculty Association, Dec. No. 32064-A (Krinsky, 8/7/07). Wages and insurance were in dispute in this case. Arbitrator Krinsky considered the fact that the total premium paid at Nicolet was significantly higher than that paid at the comparable districts. The internal comparables favored the District.

The District proposed changing the health insurance carrier from WEAIT to SHP. The Association countered that when the WEAIT plan was negotiated, the Association paid for it by agreeing to a 7% employee premium contribution (as a *quid pro quo* for the change). Arbitrator Krinsky selected the District's final offer.

17. City of New Holstein (Police), Dec. No. 66305 (Dichter, 8/10/07). The only issue in dispute was the distribution of overtime. The City proposed keeping it status quo (no language) and the union proposed adding language regulating the distribution of overtime. The union proposed that all full-time officers be given the opportunity to work eight hours of overtime every two months. The union argued that there was a need to increase the income for the bargaining unit members to bring them closer to the comparables. The arbitrator noted that in the past two years, the overtime had not been evenly distributed. For that reason he felt that proved that there was a need for change.

He also felt that the union's proposal effectively addressed the problem. In response to the City's claim that the union had to provide a *quid pro quo* to obtain the change, Arbitrator Dichter did not feel that was necessary. He opined that the union's proposal "modifies only slightly the status quo and provides the equity that other Arbitrators have found so important that tips the scales in the Union's favor." He selected the union's final offer.

18. Florence County (Highway), Dec. No. 31928-A (Honeyman, 8/20/07). This case involved many of the same elements as the Florence County (Sheriffs) case cited above, in which Arbitrator James Engmann rendered his award in favor of the employer. Arbitrator Honeyman also selected the County's final offer for many of the same reasons. On the subject of the economic condition existing in Florence County, Arbitrator Honeyman stated:

> [It] is not in a markedly worse economic condition among its traditional comparables; the particularly low population base and consequently high per capita level of taxation for highways are clearly only two among a number of adverse economic factors, but the county has efficiently reduced staff in the highway department to a low level, has maintained a great deal of stability in the highway levy specifically in the face of inflation in many other costs, and is in the midrange of the comparable pool on a number of other indicators of general prosperity.

The Arbitrator, in considering and comparing the value of certain benefits among the comparables, used assigned dollar/cents values to: longevity; health insurance premiums; dental premiums; vacation days; holidays; sick leave days; and clothing allowance. As stated above, Arbitrator Honeyman chose the County's final offer.

19. Village of Plover (Police), Dec. No. 32022-A (Dichter, 8/31/07). This dispute involved the Village's proposal to include State or Federal Family Medical Leave to its list of exceptions in changing an officer's schedule without incurring overtime costs. The union objected to this change.

Arbitrator Dichter, in analyzing the Village's proposal, determined that a need was shown because a grievance had been filed when an officer had his schedule changed due to another employee's absence on FMLA. He stated that the language proposed by the Village would remedy the situation. He then determined that the change to the status quo was not significant because vacation, sick leave, funeral leave, emergencies and court appearances were among the exceptions which allowed the Village to change schedules. For this reason, no *quid pro quo* should be required. His award was rendered in favor of the Village.

20. Racine County (Deputies), Dec. No. 31752-A (Yaeger, 9/4/07). This case was unusual in that the County proposed changing the premium contribution level in one article of the contract, but neglected to propose that change in another linked article of the agreement. In the article proposed for change, the County increased the premium contribution from 10% to 15%. Another article of the agreement contained language that the County would maintain the current contribution level in the successor agreement to the contract. Arbitrator Yaeger, following the hearing and briefing was unsure as to whether the County's offer was "definite" and referred that issue to the WERC prior to proceeding. The WERC determined that the County could not propose a change to a 15% employee premium contribution because the County was bound to the 10% premium contribution level. (Racine County, Dec. No. 31752-A, WERC, 5/9/07). The conclusion of this dispute was that the County was required to maintain the

10% employee contribution level, but the County's wage offer of 2% effective 1/1/05; 1% on 1/1/06; and 1% on 7/1/06 was chosen by the Arbitrator.

21. City of South Milwaukee (AFSCME), Dec. No. 31933-A (Hempe, 10/8/07). The parties' final offers were as follows:

Issue	Union	City
Wages	7/1/06 – 3.0% 7/1/07 – 2.5%	7/1/06 – 2% 7/1/07 – 2%
Health Insurance	City pays 100% of lowest cost qualified plan in State Health Plan with caps of $35/$70; Effective 1/1/07, caps increase to $45/$70	City pays 100% of lowest cost qualified plan in State Health Plan with caps of $35/$70 Effective 1/1/07, City pays 95% of lowest cost qualified plan; and effective 1/1/08, 93.5% and 92% 6/30/08
Dental Insurance	Maintain status quo – Employer pays 100% of premium	City to contribute $30/$75 month toward dental insurance; employee pays balance
Sick Leave Payout at Retirement	Apply value of sick leave to Section 125 plan for future health insurance premiums	Eliminate sick leave payout.

With respect to the "greatest weight" factor, the Arbitrator opined:

> Wis.Stats. 111.70(4)(cm)7 requires the arbitrator to 'consider' and 'give greatest weight' to state imposed limitations on municipal revenue increases. In my view, however, those terms do not necessarily result in an *automatic* win for a municipality when, as here, it finds its ability to increase its tax revenue collection constricted by state mandate to a 2% tax levy increase.

The Arbitrator selected the Union's final offer as being supported by the internal and external comparables.

22. Jackson County (Human Services Professionals), Dec. No. 31730-A (Dichter, 10/15/07). There was only one outstanding issue involved here – that of on-call duty. The Union wanted to maintain the status quo which was to keep four junior employees on call for weekend in-take duties. The County wanted to rotate the on-call duty among all eight employees without regard to seniority. The Arbitrator did not feel that there was not an "overwhelming" need to change

the distribution of the on-call duty. He also found it troubling that the employees would never be relieved of their on-call responsibility. He selected the Union's final offer.

23. Middleton-Cross Plains School District (Aides), Dec. No. 32021-A (Malamud, 10/26/07). The only item in dispute in this matter was health insurance contribution rates. The internal comparisons supported the District's final offer, but notes the following considerations: (1) the District does not offer the same insurance plan to all its employees; (2) the District's offer proposes that full-time status be measured by an 8-hour day when none of the District aides have an 8-hour work day; (3) the substantial contribution the Employer makes to the premiums of its part-time employees is the product of many years of bargaining.

The Arbitrator also found that the Union acknowledged that a change was necessary and proposed a change which would impact the fewest number of its members; the Union's offer was supported by the external comparisons. The Arbitrator awarded in favor of the Union.

24. City of Sun Prairie (Police), Dec. No. 32047-A (Honeyman, 10/30/07). In this case, the City proposed adding four new externally comparable municipalities to its pool of comparables. The Arbitrator included those four new municipalities because they "now appear more similar to Sun Prairie than they once were." The City, in its final offer, proposed a change to compensatory time, but Arbitrator Honeyman found that the Union's status quo proposal was more reasonable. With respect to the dispute over wages, the Arbitrator stated:

> With no evidence that wages in Sun Prairie must make up for any shortfall in benefits, and no visible reason why the last six years' pattern of percentage increases above the level of other comparables should continue indefinitely, the City's proposal emerges as unambiguously the more reasonable on wages.

Determining that the wage issue was more important than the compensatory time issue, the Arbitrator ruled in favor of the City.

25. City of South Milwaukee (Police), Dec. No. 32102-A (Schiavoni, 11/3/07). The two open items in this dispute were wages and health insurance contributions. The City and Union both agreed on 3% increases effective 1/1/07 and 1/1/08. The Union, however, proposed a third year with a 3% increase effective 1/1/09.

The health insurance proposals included: Union offer of $40/$80 caps in 2007, $45/$90 in 2008 and $50/$100 in 2009. The City proposed an employee

contribution of 5% in 2007 and 6.5% in 2008. The City is a State Health Insurance Plan participant.

Arbitrator Schiavoni decided that the health insurance proposals would be determinative. The City was seeking a change without establishing its necessity or providing a substantive *quid pro quo* and for that reason, she selected the Union's final offer.

26. Jackson County (Pine View Care Center), Dec. No. 31897-A (Vernon, 11/5/07). This case involved an element which is unique. The County sold its facility prior to the conclusion of the term of the collective bargaining agreement. The contract contained sick leave payout language providing for a 35 day payout to employees upon layoff, retirement or resignation. Employees who were hired prior to 1/1/03 were permitted to carry their accumulated sick leave in a separate bank. Upon retirement, these grandfathered employees could cash in 35 days of leave with ten years of service. The County allowed anyone with 10 years of service to cash in those days and did not require them to retire. The Union proposed removing the 35 day cap and paying all employees their accumulated sick leave regardless of years of service.

Arbitrator Vernon determined that the Union's sick leave proposal was too expensive and the 35 day cap could have been addressed in earlier bargaining. The Arbitrator selected the County's final offer.

27. Rock County (AFSCME), Dec. No. 32137-A (McGilligan, 12/7/07). The parties agreed to health insurance plan changes and the only remaining issue was wages. The Union proposed a 3% increase on 1/1/06 and a 1% increase on 12/31/06. The 12/31/06 wage increase was to be considered as a *quid pro quo* for agreeing to those health plan changes. The County proposed a 1.5% increase on 1/1/06 and a 1.5% increase on 7/1/06. The Arbitrator in this case relied heavily on the internal comparables, citing numerous cases supporting his position. He also determined that the prior bargaining history of the County's bargaining units favored the internal comparison criterion.

On the cost of living factor, Arbitrator McGilligan pointed out that "many arbitrators have noted that an analysis of CPI changes should focus on the previous one-year period," and that factor would also support the County's offer.

This case was somewhat complicated by the fact that all of the other internal units did receive a *quid pro quo* for the health insurance changes. Those changes, however, were agreed to in a prior round of bargaining (the year in which this unit settled out of step with the other units). The Arbitrator ultimately decided that because of the Union's "reach" for more money (than the *quid pro quo* received by the other units) which would actually reward the Union for being the last bargaining unit to agree to health insurance changes, the County's offer was preferred. The County offer was selected.

28. Clark County (Social Services Social Workers), Dec. No. 32094-A (Bellman, 12/28/07). The County's proposal in this matter was that a drug and alcohol testing policy be implemented, but not included in the collective bargaining agreement. The Union's proposal related to meal reimbursement. Arbitrator Bellman submitted to the WERC the question as to whether he had the authority to select the County's final offer based upon the fact that the actual policy proposed would not be a part of the collective bargaining agreement. The WERC ruled that he did have the authority. Arbitrator Bellman commented:

> In the judgment of the Arbitrator, the Union's proposal should be selected because the County's strategy is to avoid both subjecting the policy to examination that might occur if the policy were subject to a grievance challenging its reasonableness, and negotiating out of an apparent impasse.

The award was rendered in favor of the Union.

29. Wawatosa School District (Aides), Dec. No. 32037-A (Grenig, 12/31/07). This was an arbitration for an initial contract between the parties. The major areas of dispute were wages, health insurance, and layoff language. The parties had the same percentage increases proposed for 2005 and 2006, but the Union was proposing a compression of the salary schedule. In addition, the Union was proposing additional contribution toward health insurance and a change to the health insurance plan which covers the District's teachers. The Union proposed a seniority based system for implementing layoffs while the District proposed a system based upon experience and training.

The Arbitrator did not believe the Association's proposal to have the District pay 100% of health insurance premiums for full-time employees to be supported by the external comparables. The Arbitrator also did not believe the Association's proposal to allow an employee to bump into a position which he/she is not qualified to perform without additional training to be supported by external comparables. The Arbitrator selected the District's final offer.

2008 AWARDS

1. City of Franklin (DPW), Dec. No. 32113-A (Yaeger, 1/28/08). The two items in dispute were wages and health insurance plan provision changes. The City offered 3.0% effective 1/1/07 plus an additional $0.25 per hour effective the first of the month after the arbitration award was rendered and an additional 3.0% effective 1/1/08. The City's offer proposed a $200/$600 in network deductible with a $500/$1500 out of network deductible and out of pocket maximums of $400/$1200 in network and $1500/$4500 out of network.

The Union's offer was for 3.0% plus $0.25 per hour effective 1/1/07 and 3.0% plus $0.25 per hour effective 1/1/08. The health insurance plan changes the Union was proposing were deductibles of $0 in network and $200/$600 out of network and out of pocket maximums of $400/$1200 in network and $1600/$4800 out of network.

In response to the Union's argument that the City must provide a *quid pro quo* for health plan provision changes, the Arbitrator commented that:

> [D]epending upon the circumstances of each case the offer of a *quid pro quo* may not even be necessary, and where it is it does not necessarily have to be dollar for dollar as measured against the cost impact of the proposed change to the status quo.

The internal settlements (four out of six units) as well as the external settlements supported the City's final offer and the City's final offer was selected by Arbitrator Yaeger.

2. Buffalo County (Courthouse), Dec. No. 32181-A (Dichter, 2/15/08). The offers in this matter included the following:

County:	2%	effective 1/1/07
	2%	effective 1/1/08
	Overtime language status quo	
Union:	1.5%	effective 1/1/07
	1.5%	effective 9/1/07
	2.0%	effective 1/1/08
	0.25%	effective 7/1/08
	Overtime to be awarded to most senior employee in Department	

In assessing the parties' final offers, Arbitrator Dichter noted that the average wage proposal being offered by the County was at the low end of the spectrum whereas the Union's proposal provided the same lift as that given in 3 out of 6 counties. The Arbitrator then looked to an explanation of why the County offer was below average. He found that a financial reason was supported based upon the percentage increases in tax levy comparisons.

In this dispute, the parties reached agreement on health insurance contributions and plan provision changes. The Arbitrator commented: "Where wages are concerned, externals can be key, but for benefits, it is more often internal comparability that is critical."

He also referred to the cost of living factor as relevant to this dispute and found it to favor the employer stating:

> Health insurance costs are a major component of the COLA. Increased costs in insurance and medical bills have raised the COLA along with fuel costs. Since the Employer is providing a large portion of the premium cost, it would be error to ignore this factor when looking at the COLA. Therefore, this Arbitrator agrees with the line of cases that incorporate increases other than wages when comparing them to COLA.

The award was rendered in favor of the County.