

In the Matter of Final and Binding Final Offer Arbitration
Between

MARATHON COUNTY (HIGHWAY DEPARTMENT)

and

MARATHON COUNTY HIGHWAY DEPARTMENT
EMPLOYEES, LOCAL 326, AFSCME, AFL-CIO

WERC Case 252 No. 56065 INT/ARB-8407
Dec. No. 29514-A

HEARING. A hearing in the above entitled matter was held on May 7, 1999 at the Courthouse in Wausau, Wisconsin. Parties were given full opportunity to give testimony, present evidence and make argument. Initial briefs were filed, the last one being received on July 23, 1999. Reply briefs were filed, the last one being received on August 6, 1999.

II. APPEARANCES.

PHIL SALAMONE, Staff Representative, appeared for
the Union.

DEAN R. DIETRICH, Attorney, RUDER, WARE & MICHLER,
appeared for the County.

III. THE FINAL OFFERS.

A. Union Offer.

Effective 1/1/98.

1. Increase all wage rates by three percent (3.00%) across the
board.

2. Move highway worker classification to level 3 before
applying general increase .

Effective 1/1/99.

1. Increase all wage rates by three and one half (3.50%)
across the board.

B. County Offer.

1. Expand Article 8 - Wages and Classification by creating a
new subsection (4) Direct Deposit:

Wages shall be paid through direct deposit. Employees shall
complete the necessary authorizations to effectuate the direct deposit of
wages.

2. Revise Article 19 - Medical, Hospitalization, Dental and Life Insurance, paragraph (1) Medical and Hospitalization Benefits to provide for a 5% employee premium contribution effective 12/1/99.

The County will continue to pay One Hundred Percent (100%) of the cost of the medical and hospitalization program until 11/30/99. Effective 12/1/99, the County will pay Ninety Five Percent (95%) of the cost of the medical and hospitalization program and the employee will pay Five Percent (5%) of the cost of the medical and hospitalization program.

3. Revise Article 19 - Medical, Hospitalization, Dental and Life Insurance, paragraph 2 Dental Insurance Benefits by eliminating all references to "Blue Cross/Blue Shield Dentacare Program" and substituting "Capitated/HMO Dental Benefit." Also, add this sentence to the last paragraph:

Any reduction in the dental benefits must be approved by the Union.

4. Revise Article 25 - Duration to provide for a 2-year Agreement, 1998-1999.

5. Revise Appendix A - Salary Schedule as follows:

3% annual adjustment effective 1/1/98.

3% annual adjustment effective 1/1/99.

6. Create a new Article entitled "Post Employment Health Plan."

Beginning on 12/1/99, the County shall contribute \$12 per pay period toward the Post Employment Health Plan on behalf of each employee. These contributions shall accumulate in a trust account for the payment of qualified medical expenses incurred after leaving employment. Additionally, the County shall pay the annual administrative fee associated with this program.

7. Create a new Article entitled "Labor-Management Committee on Employee Benefits":

The County shall create a Labor-Management Committee to discuss employee benefits. This committee shall include one representative from the Highway Department Employees Union and the Union shall pay the cost of educating its representative in "labor-management cooperation" and "insurance industry trends." This Labor-Management Committee shall be advisory to the County Administrator and the President of the Highway Department Employees Union.

8. Increase coverage in the health benefit plan to increase coverage for eyeglass frames from \$35 every two years to \$50 every two years effective 30 days after receipt of the Arbitrator's Award.

IV. Statutory Criteria to be Considered by Arbitrator.

Section 111.70 (4) (cm) 7

7. "Factor given greatest weight." In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer, body or agency which places limitations on expenditures that may be made or revenues that may be collected by municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.

7g. "Factor given greater weight." In making any decision under the arbitration procedures, authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer to any of the factors specified in subd. 7r.

7r. "Other factors considered." In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall also give weight to the following factors:

- a. The lawful authority of the municipal employer.
- b. Stipulation of the parties.
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.
- e. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in the public employment in the same community and in comparable communities.
- f. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment
- g. The average consumer prices for good and services, commonly known as the cost of living.
- h. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

V. COSTS OF FINAL OFFERS.

Table 1

<u>County</u>	1997	1998	1999
Total Wages (\$)	2,105,724	2,167,850	2,231,866
% Increase		2.9508	2.9525

Total w/ Fringes	2,949,981	3,083,271	3,189,214
% Increase		4.5183	3.4361

Union

Total Wages (\$)	2,105,724	2,176,731	2,251,718
% Increase		3.3721	3.449
Total w/ Fringes	2,949,981	3,094,290	3,209,659
% Increase		4.8919	3.7284

Union \$ variation from County cost:	+11,019	+20,445
Total for two years		+31,464

(ER 6, 9)

VI. COMPARABLES.

Counties or Municipalities selected by both parties: Chippewa, Clark, Eau Claire, Langlade, Lincoln, Portage, Shawano, Waupaca, Wood. The County includes Wausau City in its list. The Union includes Taylor County in its list. The Union has a secondary list of the following cities: Wausau, Mosinee, Rothschild, Schofield and Weston.

There is a wide range of population among the counties, extending from 19,247 in Taylor county to 123,298 in Marathon county in 1996. There was a similar wide range of full value, ranging from \$541 million in Taylor county to \$4,425 million in Marathon in 1996. (UX 21)

Discussion and Opinion: The County holds that its list was used in previous arbitrations. The Union adds in its primary list Taylor County, which is contiguous to Marathon County. The County's list includes 7 of 8 contiguous counties to Marathon county, and Chippewa and Eau Claire counties which are not contiguous. Taylor county, which is contiguous, is omitted by the County. The argument of the County for its position is that its list was set in 1992 by Arbitrator Malamud who, contrary to the claim of the Union, did not inadvertently leave out the county. The County notes that the addition of Taylor county was not proposed by the Union subsequently and the Union did not raise the issue at the time.

The matter of comparability here hinges on the concept that there is a regional market for highway workers, relatively narrow as compared to professional workers. Thus the parties have not selected as comparables those counties which are similar in population and area to Marathon but which are adjacent or near. This is a regional selection. If a regional area is the basis for determining a group of comparable jurisdictions here, then there seems little reason to exclude Taylor county.

As to including municipal employees who are also in the same region with highway type employees such as Wausau city has, the arbitrator is of the opinion that it is proper to include Wausau in the primary list because of its size. The other jurisdictions named by the Union are indeed suitable for a secondary area list, but the main weight in following comparisons to be made here will rest on a primary list.

The primary list of comparables will be Chippewa, Clark, Eau Claire, Langlade, Lincoln, Portage, Shawano, Taylor, Waupaca, and Wood counties and Wausau city.

VII. LAWFUL AUTHORITY.

Neither parties' offer presents a challenge to the lawful authority of the County to meet either offer. The parties have stipulated to all other matters between them.

VIII. GREATEST WEIGHT.

Arbitrators are to give greatest weight to tax limitations placed on governmental jurisdictions. The County cites Section 66.77 (2) of the Wisconsin Stats. to the effect that its operating tax rate is limited to the rate of 1992. Evidence however is not present as to what this tax limit is currently, based either on current assessed valuation or how close the Union offer presses the County to its taking limit. The County does show a rate of \$6.21 on an equalized valuation of \$4.968 billion in 1998-1999. Marathon's 1998 rate of \$6.21 was 4th highest in a 9 county comparison. (ER 79) ER 81 reporting a news article of 12/97 said that Counties' spending in Wisconsin, excluding Milwaukee County, increased 24% between 1992 and 1996. There was a 16% per capita increase in Marathon County in this period. Counties have service mandated but are getting squeezed with less state aid which has run to less than half the inflation rate. However increases in equalized valuation are present. The County particularly notes that health care costs are rising and it has made an attempt to offset them in its offer. The County however is not arguing inability to meet the costs of either offer.

The Union argues in this case that its offer is only slightly more costly and that its effect is offset by the healthy economy of the area. The Union says that the County offered no evidence that its ability to raise taxes is severely limited. Marathon county fell slightly below the average tax rate of comparables, and its rate included debt service costs which are not subject to restriction.

Discussion and Opinion. With data absent about how much the Union offer presses the County toward its taxing limit other than in dollar amount, a general conclusion can be made only that the Union offer is more costly, but a conclusion can not be made as to whether the County can not afford the Union offer. The greatest weight that can be applied here is simply that the Union's offer is more costly and presses the County nearer to its taxing limits, but the County can meet either offer.

IX. GREATER WEIGHT.

Section 111.70(4)(cm)7g requires the arbitrator to give greater weight to economic conditions in the municipal jurisdiction involved. Parties here supplied information on the economic condition of Marathon County.

The County has a substantial level of industry and agriculture 54.0% of the land is farm land. (ER 87) The County ranks first in dairy products. (UX 5) In 1997 the household income averaged \$40,764 which was above the state average. The per capita income in the county was \$14,694, which was below the state average of \$15.058. Average home sale price in 1998 was \$103,637. (UX 7)

Of non-farm industry, 28.2% was in manufacturing, 18.9% in services and miscellaneous, and 17.3% in retail trade. The largest employer, Wausau Insurance Companies, had 2,781 employees. The estimated labor force in Wausau alone in December, 1998 was 21,246. (UX 17)

Per capita income in Marathon County from 1990 to 1995 rose from \$16,411 to \$20,902, an increase of 27.4%, but less than the state increase of 28.00%. However between 1990 and 1995 Wausau per capita income increased 6.2%. (UX 15) Unemployment declined from 1991 to 1998 from 5.4% to 3.9%. However the Wisconsin decline was slightly greater. (UX 17)

The backbone of the Marathon County industrial community is manufacturing. Most of the top ten private sector employers employ more than 500 people. (UX18) Marathon County is among the top 10 counties in economic strength. (UX 19)

The median market value of an owner occupied house is \$54,800 (ER 85) The 1990 population of the county was 115,400 and the 1995 population is 123,258. In 1992 the County had 690 retail establishments, and 217 manufacturing establishments. The general picture of the industrial landscape of Marathon county, like the neighboring counties of Wood and Portage, is one of industrial expansion of the principle sectors at about the same rate, a characteristic that this area has had for some time, and one which lends a good deal of stability to the business and commercial life of the region. (ER 86)

Discussion and Opinion. The basic argument of the Union is that the economy of Marathon County is strong and thus the Union offer can be supported without injury to the economy. The basic argument of the County is that although Marathon county may have a good economy, the County is faced with a statutory limit on its tax rate.

The conclusion here is that the economy of Marathon county is strong enough so that the Union offer should not be rejected because it has a higher cost than the County offer. The tax rate limit in the County is indeed recognized, but absent any information on the dollar limit of that rate on the current equalized valuation, the point only can be acknowledged that the Union offer rises closer to any limit than the County offer. However it must be noted that the County may be benefiting from an increased equalized valuation.

The arbitrator also notes that much of the data supplied on the economy of the County is half a decade or more old, and this is a cautionary sign to acceptance of the concept that the economy continues good.

X. EXTERNAL BASIC WAGE COMPARISONS.

A. Comparison Among Primary Comparables.

The information in the following table reveals benchmark positions selected by the County compared to similar positions, though not always with the same titles, in the comparables selected by the County. The table gives

the rank of Marathon County, the number of jurisdictions who have settled, and top pay in Marathon County for 1998 and 1999 under the offers.

Table 2

Rank of Marathon County for Selected Positions Among Comparables
1998-1999

Position	Comparables		Marathon \$ Top Rate				Marathon Rank			
	1998 1999		1998		1999		1998		1999	
			Union County		Union County		Un. Co.		Un. Co.	
Equipment Services Mechanic	10	9	15.19	15.19	15.72	15.65	2	2	2	2
Trades Tech. -Highways	0	0	15.19	15.19	15.72	15.65				
Equipment Operator III	11	9	14.51	14.51	15.02	14.95	1	1	2	3
Trades Tech.I	3	2	14.23	14.23	14.73	14.66	2	2	2	2
Equipment Operator II	10	8	14.23	14.23	14.73	14.66	2	2	2	2
Highway Patrolman	10	8	14.23	14.23	14.73	14.66	2	2	2	2
Highway Worker	5	3	14.23	13.78	14.73	14.19	1	2	1	1

In the above table where Marathon ranks 2, rank is held either by Wood county or Wausau City.

(ER 52-58)

The following tables are derived from Union exhibits. Some of these exhibits have been blurred in reproduction, so the figures reported may be in slight error.

Table 3

Average Top Wage for Selected Position Titles and Related Classifications in
Primary Comparables.

Position	No. of Counties		Job Types		1998		1999	
	1998 1999		1998 1999		Max. % Inc.		Max. % Inc.	
	1998	1999	1998	1999	1998	1999	1998	1999
Mechanic	9	6	15	11	14.15	3.33	14.49	3.08

Heavy Equip. Operator	10	6	10	6	13.86	3.35	14.43	2.87
Patrolman	9	6	9	6	13.72	3.42	14.10	3.09

Table 4

Average Top Wages for Selected Position Titles and Related Classifications
in Secondary Comparables.

Position	No. of Cities		1998		Max.	1999		Max.	% Inc.
	1998	1999	1998	1999		% Inc.	% Inc.		
Mechanic	3	3	3	3	15.89	3.67	16.52	4.00	
Heavy Equip. Operator	5	5	5	5	15.31	3.00	15.85	3.35	

Table 5

Statewide Averages for Selected Positions and Related Classifications

	1998		1999	
	Max.	%Inc.	Max.	%Inc.
Patrolman	13.86	3.31	14.33	2.99
Heavy Equip. Operator	14.18	2.99	14.68	2.93
Mechanic	14.38	2.98	14.84	2.87

County Ex. 45 showed that of the ten comparables used by the County for percentage increases in 1998, six settled at 3.0%, two at 3.00% with some kind of lift and two at 3.25%. In 1999 five settled at 3%, one at 3.2% plus a lift, two at 3.25%, and two were not yet settled. The County however in its brief reports that Portage and Waupaca Counties settled for 3% in 1999.

Positions of the Parties on Wages. The Union considers the wage question to be secondary to the issue of the reduction of the insurance benefit. However the County can well afford the Union offer. Further the County is benefiting from a reduction in its costs to the Wisconsin Retirement System for both 1998 and 1999. The Union notes that six units within the County seek a 3.5% increase for 1999 and five with special wage adjustments settled at 3%.

The Union also states that its Highway Worker classification representing a small number of workers is one position of uncommon

description and a position which has not had a general adjustment in recent years when employees in Class 3 in 1997 received a 5% increase while other employees received a 3% increase. The Union notes that the average rate for heavy equipment operator in the municipalities around Wausau in \$15.31 at the maximum for 1998. The Union and County offers come only to \$14.51 and this shows a need for catch-up.

The Union is holding that Marathon county can afford the 3.5% increase as it amounts to only about seven cents difference on the average over a two year period. Marathon is a county with a good economy and can far more readily meet this Union offer than comparables. It should be expected that Marathon county wages would be higher than those in comparables. The offer of the Union is modest and the secondary comparables of the Union show a need for a catch-up

The County states that its wage rates are at the top and there is no need for catch-up. In Equipment Services Mechanic, Marathon County is considerably above the average and only second to Wausau. The County notes its high rankings in other benchmark positions. The County also holds that the Union did not meet the burden of providing evidence for reclassifying Highway Workers from Class 4 to Class 3. No wage comparisons were presented to justify the change. However the County provided evidence in ER 58 that the Marathon Highway Worker is the highest paid among five comparable.

The County holds that the Union can not justify a 3.5% wage increase for employees already paid above the average. The County wonders why the Union is pressing for this increase when it said it would have settled for a 3% increase without the 5% health insurance premium contribution. The evidence from comparables does not support a 3.5% wage increase.

Discussion and Opinion. The evidence is from the tables foregoing that among the primary comparables the Marathon County highway employees are either at the top or second to the top, at times below Wausau or Wood county. The County offer for 3.00% for two years instead of 3.5% for the second year appears comparable since there is no additional need for a catch-up among the primary comparables.

The value of the secondary comparables of the Union, which are municipalities, is not prevailing here because of the general agreement that the primary comparables, more rural in nature, constitute the best group of comparable. Evidence required to show that the work of Marathon county employees especially in the category of heavy equipment operator might justify a special consideration where the secondary comparables are higher is lacking.

The need for a reclassification of Highway Worker from the Class 4 to the Class 3 is not supported by the evidence found in Table 2 which shows that the Marathon County Highway Worker wage rate is at or near the top.

XII. INTERNAL WAGE SETTLEMENTS.

The following tables are abstracted from UX 34.

Table 6

Status of Represented Employees, Marathon County,
Percentage of Wage Increases

A. Not Settled

Unit	Union	Union Offer		County Offer	
		1998	1999	1998	1999
Highway	AFSCME	3	3.5	3	3
Parks	AFSCME	3	3.5	3	3
Soc. Serv. -					
Para. Pro.	AFSCME	3	3.5	3	3
Soc. Serv. -					
Prof.	AFSCME	3	3.5	3	3
CTHSE Pro.	AFSCME	3	3.5	3	3
CTHSE Off.	AFSCME	3	3.5	3	3

B. Settled

Unit	Union	1998	1999
Health Pro.	AFSCME	3	3
Library	AFSCME	3	3

Table 6 continued

Dep. Sheriffs	WPPA	3	3
Airport	IBT	3	3

County Exhibit 21 shows that an ordinance covering non-union employees provides for a 3% increase in both 1998 and 1999. It also shows that Sheriff's Supervisors received a 3% increase in 1998.

Positions of the Parties Summarized. Both parties link internal settlements of wage rates with the proposed 5% employee contribution in health insurance and other fringes. For purposes of comparison of wage rates only, the analysis of wage rates here is delinked from the fringes.

The Union contends that of 569 represented Marathon County employees only 141 are in bargaining units that have settled. Three fourths of the employees reject the County offer. The Union notes that the Highway Union with 72 employees is the second largest unit. Thus there are settlements only for a minority of employees, and those settlements do not represent a consistent position in fringes. Further, the across the board increases are misleading in that they do not take into account wage adjustments, step additions or health insurance deductions. The Union notes that six represented groups have not settled for 1999 and only four have.

The Union contends that pattern of internal consistency on wage rates has not only not been established by the County, but the County by its special agreements with other internal units has offered special benefits peculiar only to those units. particularly library employees and deputy sheriffs.

The County holds that it has a history of comparable wage settlements in its bargaining units' history. The Union offer of 3.5% for 1999 is excessive, destroying a more than 15 year pattern of consistent wage settlement. The County also links its wage proposal to the insurance and health proposals. The County contends the Union is trying to get more by arbitration than it would get voluntarily. The County holds that it is important to adhere to an internal pattern lest a change lead to some unions having hard feelings for having settled. The County argues that its final offer on wages as well as on fringe benefits is reasonable.

Discussion and Opinion. The evidence is that among County bargaining units the 3% wage increase for 1999 as proposed by the County is not yet accepted by the majority of bargaining units which also have a large majority of employees. The evidence is also not present that the settlements of the County for a minority of organized employees and of bargaining units has established a pattern for the unsettled groups to follow. On the other hand when one looks at the proposed ranking of Highway employees under the County's 3% proposal for 1999 (see Table 2), the County holds its rank near the top of the comparables, whether those used by the county or by the Union. No major evidence of loss of rank or need for catch-up is shown and the offer of the County for a 3% increase in 1999 is therefore considered reasonable and the County need not go higher, when internal comparisons are considered.

XIII. HEALTH INSURANCE.

A. External Comparisons

The County is proposing that on 12/1/99 it will pay 95% of the cost of the medical and hospital program and the employee will pay 5%. Presently the County pays 100% of the premiums for family and single health insurance and hospital program.

The following information is derived from ER 38.

Table 7

Rates for Marathon County Self Funded Health Insurance

Year	Single Premium	% Inc.	Family Premium	% Inc.
1983-84	53.13		132.83	
1996	142.97	- 8.42	365.97	- 5.54
1997	210.89	47.51	498.32	38.16
5/1/97 PPO				
exc. Hwy.	177.15	-16.0	418.59	-16.00
1998	225.0	27.01	524.85	25.39
1999	253.22	12.55	584.71	11.41

The following information is derived from UX 32.

Table 8

Percentage of Employer Contribution in Health Insurance. 1999

A. Primary Comparables of Union.

County	Single	Family
Chippewa	100	100
Clark	85	85
Eau Claire	100	100
Langlade``	100	100
Lincoln	100	100
Portage	95	95
Shawano	90	90
Taylor	100	100
Waupaca	90	90
Wood	95	95
Marathon		
Union offer	100	100
County offer	95	95

B. Secondary Comparables of Union.

City	Single	Family
Mosinee	105	105 (lowest premium)
Rothschild	100	100
Schofield	100	100
Wausau	95	95
Weston	100	86

Union Exhibit 32 also shows that among the Union's primary comparables for 1999 Marathon County with a family premium of \$584.71 and a single premium of \$253.23 has paid for the first part of 1999 the highest premiums in both categories.

Among its secondary comparables Marathon is third to Schofield with a \$453.27 payment and Weston with a \$400 payment for the single premium. Marathon County is third to Mosinee at \$592.22 and Wausau at \$587.74 for family premiums.

Union Exhibit 33 shows that Marathon county with a \$200 deductible for a single person is tied for the highest among the Union's primary comparables. It is tied with Lincoln as the highest for family deductibles with a \$600 deductible.

In total out of pocket deductibles required of employees Marathon County at \$500 is second to Waupaca County at \$1200 for single employees. Marathon County with a total out of pocket family cost for deductible at \$1300 is second to Waupaca with \$1400.

As for deductibles for single and family health insurance among its secondary comparables Marathon County is highest in both categories. In total out of pocket expense, Marathon county is second to Mosinee in both categories.

The following information is derived from ER 46 and attachments without full details in plan variations.

Table 9

Health Insurance Premium Contribution Percentages, 1999

County	Single		Family		Deductibles		C-Pay
	ER	EE	ER	EE	Single	Family	
Chippewa - Trad.	93	7	93	7	100	300	Yes
- PPO	100						
Clark	85	15	85	15			
Eau Claire	100		100				
Langlade	100		100		100	300	
Lincoln	100		100		200-600	200-1000	
Portage	95	5	95	5			
Shawano	90	10	90	10	100	200	Yes
Waupaca	90	10	90	10			
Wood	95	5	95	5			Yes
Wausau City	95	5	95	5			
EE Cap \$32							
Marathon							
Union	100		100		200-500	600-1200	
County	95		95		200-500	600-1200	

County Exhibit 47 shows that in family coverage in 1999 Marathon county's cost of \$584.71 for full health insurance premium cost is second only to that of Wausau with a cost of \$587.74. This is related to ten other comparables employed by the County. If the County offer here is selected, the family cost for the county would be \$555.48 which would be the second highest employer cost, below only the contribution of Wausau with \$558.35.

County Exhibit 48 shows that in single coverage for 1999, Marathon county with a full premium of \$253.23 paid the highest premium when only the standard plan for Clark county is included. Clark county also has a Deluxe Plan. Under the Marathon county offer after 12/1/99 Marathon county would pay \$248.57, also the highest contribution among the comparables. The individual employee would pay \$12.66, the fourth highest among comparables for employees when the Clark County standard plan is included.

B. Internal Comparisons.

Union Exhibit 34 shows that 4 unions in Marathon county have settled for a 5% contribution of employees to health insurance costs. Six unions in the bargaining state have not accepted the 5% contribution proposal, and all are also asking for a 3.5% wage increase in 1999. All like the Highway union are AFSCME affiliates.

c. Counties Secondary Comparables on Health Insurance.

The County produced lists of what can be described as secondary comparables on employer health insurance contributions. ER 59 showed that the local communities of Kronenwetter, Rib Mountain, Schofield, and Wausau had employee contributions for both single and family premiums. Mosinee apparently pays full premium for the single and family plans only if the employee does not select an alternative plan. Weston pays full premium for the single plan and requires \$130.70 employee contribution per month for a \$530.70 family plan. All of the communities have some form of deductibles and/or co-pay except Kronenwetter and Schofield.

ER 61 lists five area school districts and one technical college for comparisons. Five of the educational groups have employee contributions of 10% toward health insurance. Mosinee has a \$5 and \$8 payment per month for single and family plans respectively.

ER 63 lists nine employers in the Wausau area, presumably major ones. All require some form of employee contribution to health insurance. All have some form of deductibles. Wausau hospital receives a lower premium payment from non-smokers.

ER Exhibits 65 to 77 are printed reports dealign with the rise in health care costs, the causes and the expectation that employees will have to accept a greater share of the costs. In 1998 employees contributed about 20% of the costs. (ER 70) Health care costs exceed the rise in inflation. (ER 72). Health care costs rose 7% in 1988 (ER 79). The average deductible for the individual is \$186 and \$441 for families. (ER 74) HMO's and PPO's hold down costs.

Union Position Summarized. The Union reported a history of bargaining between the parties over health care issues. From 1984 on the Union worked with the County to reduce health care costs, but recently the County has brought issues to arbitration, the result of which was the introduction of a PPO plan with the County getting benefit reductions in negotiating reduced charges. There were also reductions in some options of service.

The Union suplied charts which are similar in data conclusions to the conclusions reported about Union Exhibits 32 and 33 above. The Union says that since co-pay plans are difficult to identify, the Union is using deductibles as a primary way to analyze the offers. The Union holds that though the terms of health insurance premium payments for single employees among comparables is somewhat mixed, yet 6 of 10 of its comparables pay 100% for single premiums and half pay 100% payment for family premiums. Only employees in Waupaca are experiencing both lower premium payments adhigher total out of pocket expenditure.

The Union notes that in deductibles among its comparables only three of the comparables have single deductible levels as high as Marathon, five have half the cost and two have no cost. If the City of Wausau is added to the list, the picture does not change. Also the position of Marathon county in this aspect will not change under either offer. The Union notes also that the majority of its primary comparables are rural counties and are less

economically strong than Marathon.

The picture of premium payment, out of pocket deductibles and total maximum out of pocket is essentially the same for the Union's secondary comparables. With respect to out of pocket costs Marathon county's employees pay much more than its suburban employees.

The Union asserts that regardless of what yard stick or comparability pool is used, the employees of relatively prosperous Marathon County are already assessed at a significantly higher degree of health insurance co-sharing than its far less industrialized rural neighbors. The County offer further erodes this position.

The Union further argues that the larger and more economically prosperous Marathon county should not focus on the health insurance premiums since this County can better afford to pay health insurance premiums than comparables which offer 100% coverage. The Union emphasizes that employees are significantly contributing to other areas of health costs through the deductibles and out of pocket expense. The Union says that the County argument that because citizens and employees of Marathon county are prospering, they can contribute to health insurance costs turns the legislative intent of the guideline of "greater weight" on its head.

The County Position Summarized.

The County notes that already four Marathon County units have settled for a 3% wage increase and a 5% employee health premium contribution. It is important to support the County position to keep an internal consistency as arbitrators have noted.

As noted earlier the County is objecting to the inclusion of Taylor county, which pays 100% of the health insurance premiums, in the pool of comparables. Under the County's pool of comparables, the comparables support the adoption of the County's offer. Seven out of ten counties in the pool support the County's offer. Shawano and Waupaca require a 10% employee contribution and Clark county 15%.

The County notes that it pays nearly the highest health insurance premium and the highest dollar contribution. The average monthly premium of the 10 County comparables is \$541.28. In Marathon the monthly payment is \$584.17, about \$43 more. The average monthly employer contribution of the 10 comparables will be \$514.67. Under the County offer the County will pay \$40.80 more while under the Union offer it would have to pay \$70.84 more.

Marathon county has experienced a 36% increase in health insurance in the last two years. A PPO Plan has been adopted by the parties but costs are increasing. Employee contribution to health insurance should be consistent with what is happening to health cost rise.

The County emphasizes that comparability with the condition of other employees generally must be considered under statutory rules. The County notes that local communities, local school district, and local employers require employee to pay a portion of the premium.

The County argues that it is misleading to portray its health

insurance plan as costly for the employee. Union members helped bargain for the present PPO plan which brought benefits at reduced costs and numerous enhancements in coverage, such as 100% paid income continuation benefits or long term disability insurance costing the County \$17,303 per year for Highway employees. This long term disability benefit caused an increase to the County which reduced County savings from lower premiums. The County is in the "red from the long term disability benefit.

The County says that the present insurance plans pays 100% of the cost for in-service medical care providers whereas other comparable counties require co-pay as well as out of pocket payments. Only Shawano and Wausau City have such a benefit. In Marathon employees have only to meet the deductible costs. Also under the Marathon plan there are three types of benefits which are not subject to any deductible.

The County notes that it self-funds its insurance benefits. The large increase in health insurance premiums is the direct result of employees increased use of benefits. The County does not seek to discourage the use of benefits, but employee should pay some part of the cost. Increased costs must be paid by reducing other needs found in the County budget.

The County notes that its insurance benefits will not be reduced under its plan. Also it says that it has provided a Section 125 Plan under which employees can deduct tax free money from their pay checks and place this money in an account for payment of health care benefits such as premiums, prescriptions and deductibles. 27.65% of the money thus placed in an account is saved. An employee utilizing this plan would save the sum of \$42 in a year on single plan deductions and \$97.00 on family plan deductions.

Discussion and Opinion. In determining consideration in arbitration, Section 111.70 of the statutes emphasizes the concept of comparability. However determining comparability of various health insurance plans is difficult because they vary widely not only as to costs of the plans, but as to benefits provided, deductibles, out of pocket expenses and co-pay terms. In this matter, the arbitrator is of the opinion the principal issue is whether a past pattern of the employer paying 100% of a single and family premiums should be ended.

At least three types of major comparisons have been submitted by the parties - the use of external comparables, the use of internal comparables, and the use of comparables among other employers generally.

It should be noted that Table 8 foregoing, the list of external comparables used by the Union, and Table 9, the list of external comparables used by the County, do not agree either as to the comparables themselves or whether they require employer contribution for health insurance.

The arbitrator's list of most appropriate comparables includes Taylor County, noted as adjacent to Marathon County, which County is not included in the Marathon county list, and the City of Wausau which is not included in the Union list. On the basis of this reformulated list of comparables, it is found here that Chippewa county does indeed have one circumstance under which employees' contribution to health insurance is required. Thus the pattern of full employer contribution for all health insurance has been altered for this county. On the basis of this fact, it is further found

then that Chippewa, Clark, Portage, Shawano, Waupaca, Wood counties and Wausau City require employee contributions - seven jurisdictions. Eau Claire, Langlade, Lincoln, Taylor and Marathon counties presently do not - five jurisdictions. The conclusion then is that as far as external comparables are concerned the most comparable of the two offers here is the Marathon county offer requiring employee contributions to health insurance.

As to internal comparables, four represented groups have accepted the Marathon county offer and six have not. The County argues that an internal pattern has been set through acceptance by four Union and the application of the employee contribution to nonunion employees. The arbitrator, while recognizing the value of internal consistency as significant in determining selection of an offer, holds that employee contribution to health insurance is presently not the dominant pattern within Marathon county presently among its bargaining unit employees.

As to the secondary exhibits that the County has presented in municipalities, schools districts lend some weight to the County offer. The pattern, however, presented by commercial employees is open to the question about its validity as to a general requirement, since it reflects a relatively small number of employers.

Considering these three types of comparisons, the dominant comparison here is the external comparison and this comparison favors acceptance of the County offer on employee contribution to health insurance as the most comparable pattern. The County offer also is favored because of the relatively high contribution the County makes among comparables toward a health care insurance.

XIV. POST EMPLOYMENT HEALTH PLAN ("PEHP")

The County is proposing a post employment health insurance plan, paying \$12 per pay period into a trust account for the payment of medical expenses incurred after the employee leaves Marathon county employment. The County would pay the administrative fee associated with the program. The Union presents no similar counter offer, but for reasons stated later herein is opposed to this program.

County exhibits ER 65 and 66 gave summary descriptions of the plan proposed by the County. A Public Employee Benefit Services Corporation - "PEBSCO"- is the financial firm involved. Individual accounts are established for employees. Employees have investment options. Employees are not taxable for contributions made by the employer. Employees who feel "job-locked" due to a loss of medical benefits may want to retire earlier.

ER 67 listed 39 governmental units or functions of government units which have this plan in Wisconsin. Eight Wisconsin counties were participants in such a plan. Police and Sheriff associations, municipal and special types of employee groups also are represented in the list. Thirty of the units listed were designated as Union.

Positions of the Parties. The County holds that in its PEHP it has provided a "win-win", quid pro quo situation for the parties. No changes in health insurance benefits for employees will occur and the County wishes to

maintain a high level of such benefits. PEHP benefits are not limited to paying health insurance benefits only but any qualified medical expense such as deductibles, eye-glasses and prescriptions are covered. The money in the account of the individual employee will be available immediately after retirement or death. If an employee has no dependents, the money will be divided equally among highway union members.

Each employee will have a personal PEHP account. The employee will control it. The money placed in the account is tax free. The \$12.00 amount contributed by the County per pay period will be contributed equally to full time and part time employees. Sick leave payout is not affected.

The County holds that proposing the PEHP along with its proposal that employees contribute 5% to health insurance costs meets two needs - the need to have employees pay toward rising health insurance costs and the need to help pay for health insurance for employees after retirement. This in effect is a quid pro quo.

The County also argues that its wage offer, the proposed paying of the 5% premium by employees, and PEHP constitute a part of internal comparability among County employees.

The County also says that in view of its high insurance contributions and benefits, a quid pro quo is not required here, but if the arbitrator feels that one is, then the PEHP is that quid pro quo. The County also says that it explained this plan in detail to Union representatives.

The Union holds that the County is attempting to impose involuntarily a program upon the employees. It notes that this program was not part of the settlement of County health employees union. The Union questions why the employer is attempting to extract a benefit that the employees want, namely no health insurance contributions, and to impose something in which they have little interest. The Union also cites Arbitrator Krinsky, (Oconto County, Dec. 29086-A, 1/7/98) to the effect that such a new program should be bargained rather than imposed.

As to the quid pro quo aspect of the County offer, the Union holds that the County has not met the tests for a valid quid pro quo applied by Arbitrator Reynolds. These tests include the fact that present contract language must have given rise to conditions which require amendment, that the new proposal is reasonably expected to remedy the situation, and that the alteration will not impose an unreasonable burden on the other party. The Union holds that there is no compelling need for change, there is no appropriate quid pro quo, and the proposed buy-out unduly alters the relationship between the parties.

Discussion and Opinion. An issue here is whether PEHP is a full quid pro quo for the County requiring employees paying a percentage of health insurance. In dollar benefit for the employee the plan indeed has some aspects of a quid pro quo, since it may cost the County about \$24 for two pay periods as compared to a requirement of single employees to pay about \$29.00 a month toward health insurance. The arbitrator however is of the opinion that this is not the prevailing argument on the subject of quid pro quo since the PEHP is something not sought by the Union because it requires it to give up something it wants. Further there is no internal or external

comparisons which would be persuasive here as to whether this plan prevails or exists elsewhere.

The conclusion then is that PEHP, while conferring a benefit, is only a partial quid pro quo because the ending of a practice of full payment by the employer of health insurance is far weightier in its long range effect.

The arbitrator does not reject the County proposal as failing to meet the criteria of Arbitrator Reynolds for a full quid pro quo because there is a problem of rising health care costs and some need to contain them. Requiring employees to share in the division of the rising costs may not be effective in the long run, but at this juncture a 5% contribution to health care costs does not seem an unreasonable burden in light of the patterns established by primary comparables.

XV. DENTAL CARE.

The County is proposing to eliminate reference to a term, "Blue Cross/Blue Shield Dentacare Program" and substitute the words "Capitated/HMO Dental Benefit". It also proposes to add the sentence, "Any reduction in the dental benefit must be approved by the Union."

The County has a dental insurance benefit. ER 49 reports that only two others of the County's comparables offer a dental benefit. They are Eau Claire County and Wausau City. All offer varieties of choices. In Eau Claire the employer paid full cost of \$58.00 in 1995 for the family program. In Wausau one type of dental care program the employee is required to pay \$29.36 and the employer \$30.70. In Marathon County the cost for the employee and employer was \$26.79 for one choice in family coverage in 1999.

The County states that dissatisfaction and negative feedback on the Blue Cross/Blue Shield Dentacare program is the motivation for the change. A Labor-Management Committee is researching other plans in use. The current phrase puts the dental carrier in charge. Other Marathon County employees have accepted the proposal.

The Union states that it is unaware of any dissatisfaction with the present plan and that employees already can extract themselves from the HMO plan.

Discussion and Opinion. The proposal of the County to change contract language to allow flexibility of selection in dental insurance provides appears to have merit for both parties and therefore is supported here.

XVI. EYE GLASS FRAME COVERAGE.

The County offers to increase coverage for eyeglass frames from \$35 every two years to \$50 every two years, effective 30 days after the receipt of the Arbitrator's Award.

The County notes that four Marathon County units have accepted this offer. The County asserts also that other units have tentatively accepted the offer, or the County has included it in a County offer. The County says that this proposal is obviously to the Union's benefit.

The Union holds that the benefit is minimal over a two year period and the issue should not affect the outcome of the decision here.

Discussion and Opinion. The proposal of the County confers an increased benefit on the Union and amounts to a minor weight in favor of the County offer.

XVII. LABOR-MANAGEMENT COMMITTEE ON EMPLOYEE BENEFITS.

The County is proposing a new Article, to be entitled, "Labor-Management Committee on Employee Benefits, which is to read as follows;

"The County shall create a labor-management committee to discuss employee benefits. This committee shall include one representative from the Highway Department Employees Union and the union shall pay the cost of educating its representative in 'labor-management cooperation' and 'insurance industry trends.' This Labor-Management Committee shall be advisory to the County Administrator and the President of the Highway Department Employees Union."

The County in its brief said, "The County's Final offer includes a provision in which the Union would participate in the Labor-Management committee. The Committee was created to encourage labor-management cooperation as it provides an avenue for communication between all Marathon County employees to effectively solve employee benefit issues."

The County provided a sample of the agenda of a meeting of April 30, 1999. These agenda included:

- "2. WERC Educational Program
 - A. Labor and Management Cooperation.
 - B. Brainstorming
 - C. Consensus Decision Making.
 - D. Problem Solving.
 - E. Guidelines.
 - F. Role of the Facilitator.
 - G. Question and Caucus Time.

The County objective is to have a representative from each Marathon County Union and this concept is proposed to other unions. The County says that a majority of the units have representatives. The purpose of the committee is to discuss employee benefits.

County ER 30A showed four bargaining units and two non-union units in the County with this agreement, three bargaining units where the proposal is in the final offer of both parties, and three units to whom the County has made the offer.

The Union says that this committee is almost exclusively concerned about health premiums and through the committee the County has forced the Highway unit and other units into interest arbitration. The offer of the County for a quid pro quo is something in which the employees are not interested. The County is gutting the health insurance provision but then says the employees should work together jointly.

Discussion and Opinion. There was no list showing whether the practice proposed by the County is found in its primary comparables. The proposed provision would place on the Union the cost of educating the person so named on the subjects of "labor-management cooperation," and on "insurance industry benefits." It does not specify as to the impartiality or degree of the education or the amount expected to be spent by the Union, nor what penalties would be exacted from the Union if it did not comply in providing the type of education the County desired.

The proposed contract language in mandating an action on the part of the Union toward supposed cooperation defeats the purpose of voluntary cooperation. The proposed language is also novel and lacks comparability other than in Marathon County. The language in its mandating lacks the detailed specificity necessary to avoid further management-labor conflict. This proposal is found not comparable.

XVIII. DIRECT DEPOSIT.

The County is proposing that wages shall be paid through direct deposit. Employees shall complete the necessary authorization to effectuate the direct deposit of wages.

ER 30 shows that five unions and two non-union units in Marathon County have the direct deposit feature. Three unions have this feature incorporated in final offers of both parties, and the County has offered it to three other unions including the highway department union.

The County in proposing this feature says that direct deposit will save the employee a trip to the bank or a trip to work if the employee is off on a payday. It saves the County the cost of the labor involved in reviewing each check before distribution to the employee. It also saves the cost of purchasing checks and re-issuing checks. The County notes all banks in Marathon County are available to employees who can place them in such accounts as they desire.

The Union says that there is already a voluntary system of this type and some employees may not trust the soundness of banks.

Discussion and Opinion. The evidence is not present as to the external comparability of the County's proposal. The proposal has a degree on internal comparability in its favor. The direct deposit system however limits the options of the employee as to whether the employee wants to bank his check or not. It also exposes employee and employer to technical breakdown of the system used to bank directly, though the system does have the advantages the County states it will have for the County. Though the arbitrator is of the opinion that the adoption of this type of system should come through negotiated agreement, he does not weigh this proposal as adverse to the County's offer.

XIX. FRINGE BENEFITS AND OVERALL COMPENSATION.

A Fringe Benefits.

Section 111.70 (7r) (h) requires arbitrator to consider fringe benefits and overall compensation.

ER 22 shows considerable differences internally in Marathon County in shift differential and compensation time in various units, but great similarity in overtime pay, usually pay at 1 1/2 in excess of 8 hours or 40 hours with eight units including Highway workers and non-organized groups having this benefit. ER 23 shows almost complete similarity among all Marathon units in all aspects of sick leave, rate of accrual of sick time, maximum accumulation and conversion formula. ER 25 shows that Highway workers enjoy the same general pattern of vacation as enjoyed by other units. Highway workers also have funeral leave benefits generally similar to other units. ER 26 shows a uniform payment of 6.2% generally toward the retirement accounts.

As for external comparisons of Highway department employee benefits, information on holiday, vacation and sick leave benefits was derived from Union exhibits. and produces this table:

Table 10

External Comparisons of Certain Aspects of Holiday, Vacation and Sick Leave Benefits.

Source	County	Holidays	Vacation	Sick Leave Accumulation
UX 47`	Taylor	10	1-1. 2-2 9-3, 18-4	90
UX 48	Wausau-Water	8	1-5D. 2-10D 8-15D, 14-20D,+	120
UX 50	Langlade	10	1-1, 2-2 9-3, 4-16,+	110
UX 51 `	Lincoln	9.5	1-1.2-2 9-3,18-4,+	90
UX 52	Portage	8.5	1-6D, 2-11D 8-16D,+	No limit
UX 53	Shawano	10	1-1, 2-2, 9-3.15-4,+	120
UX 54	Waupaca	9	1-1, 2-2 7-3, 15-4,+	90
UX 55	Wood	10	1-2, 7-3, 12-4, 18-5,+	100
UX 62	Chippewa	8	1-10D, 6-15D, 16-20D,+	90
UX 63	Clark	10	1-5D. 2-10D 5-11D, 6-12D,+	110
UX 64	Eau Claire	10	1-6D, 2-10D 6-15D,+	90
UX 2	Marathon	10	1-2, 7-15 13-4,18-5	120

+ - Additional steps. D - Days.

The Union in its exhibits described the contractual arrangement for the above items in its secondary comparables. A cursory review of them appears to produce results comparable to the Marathon county existing benefits.

Discussion and Opinion. Neither party addressed the external comparability of fringe benefits. The County is holding that its fringe benefits are comparable internally.

Discussion and Opinion. The foregoing Table 10 indicates that the position of Marathon County on some of the major fringe benefits is comparable to the primary comparables and is considered reasonable.

B. Overall Compensation.

County Exhibit 6 shows that its offer will result in an increase of \$133,290 for 1998 and an increase of \$105,943 for 1999, respectively increases of 4.5183% and 3.4361%. County Exhibit 9 showed that the Union offer would result in increases of \$144,309 for 1998 and 115,369 for 1999, increases of 4.6919% and 3.7284%. The Union offer will cost \$11,019 more in 1998 and \$9,426 more in 1999, a total cost of \$20,445 for two years.

Neither party produced any information of total percentage increases in comparables. The arbitrator concludes that an increase of approximately 7.95% over two years in the County offer is reasonable in view of changes in the Consumer Price Index, which are considered next.

XX. COST OF LIVING.

The County had several exhibits related to changes in the consumer price indices by which the changes in the cost of living are considered measured. ER 82 showed that the Nonmetro Urban area, North Central States, Class D group was increasing at an annual rate of 4.3% in January, 1998 and decreased to 2.0% in December, 1998 and increased to 2.1% in February, 1999. ER 83. showed the U.S. National City Average, CPI-W for all items in January 1998 increased 1.4% in December 1998 increased 1.6% and in February, 1998 1.08%.

ER 84 showed a Family Plan increase in Marathon amounting to 25.39% in 1998 and another increase of 11.41% in 1999. The CPI component of the Consumer Price Index increased 3.69% in 1998 and 3.52% in 1999. The Family Plan costs in Marathon County multiplied by 4.40 times from 1983-1984 to 1998 whereas the CPI increased 2.29 times. Health insurances are considered a major group in the CPI.

Positions of the Parties.

The County argues that both offers are more than 2% above the U.S. National average and the Nonmetro CPI. The County notes that the Union offer is higher due to worker reclassification, a 3.5% wage offer and a position requiring the County to pay 100% of the health insurance premiums. The rate of the medical component increase in the CPI was 6.98% in 1989 and today it is 3.52%. In the County the increase of medical costs has been 36% total in the last two years.

The Union position is that wages over a period of time have lagged about 50% behind the changes in the CPI.

Discussion and Opinion. The relationship of the offers' increases to the changes in the Consumer Price Index for workers favors the County offer as being more comparable to the changes in the CPI.

XXI. THE INTEREST AND WELFARE OF THE PUBLIC.

The County is arguing that it is not in the interest of the public to grant the Union offer. This offer will affect the consistent pattern of settlement the County is proposing to the other units internally and will lead to envy on the part of those units which already have settled for less.

The Union is arguing that a catch-up is needed for Highway employees, especially based on the evidence from the secondary comparables and the lagging of wages, and it is in the interest of the public to give comparable treatment to the employees.

Discussion and Opinion. It is the conclusion of the arbitrator here that the summary of conclusions on the various aspects of the offers which follows will address the serving of the interest and welfare of the public when the aspects of comparability of the offers are considered, especially in relation to the primary comparables.

XXII. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS.

The County in its brief provided information that there were tentative settlements in Portage and Waupaca counties. Percentage wage increases in these counties have been reported earlier.

XXII. SUMMARY OF FINDINGS.

1. The primary list of comparables to Marathon county here includes Chippewa, Clark, Eau Claire, Langlade, Lincoln, Portage, Shawano, Taylor, Waupaca, and Wood counties, and Wausau city.

2. Neither offer presents a lawful challenge to the authority of the County to meet the offer's terms.

3. As to the factor of greatest weight, though the Union offer is more costly than the County's offer, it can not be said that the County has reached the limit of the County's ability to meet the cost of the Union offer.

4. As to the factor of greater weight, the conclusion is that the economy of Marathon county is strong enough so that the Union offer should not be rejected because it has a higher cost.

5. As to base wage rates and increases, the evidence is that among the

primary comparables Marathon county Highway employees are either at the top or second to the top. The County offer of a 3.0% increase for each of two years is reasonable since no need for a catch-up among external comparables has been shown.

6. No convincing evidence supporting a reclassification of Highway Worker from Class 4 to Class 3 was presented. Highway Workers' wages in Marathon are in the top among primary comparables with this classification.

&. In internal wage comparisons, the County offer was not yet shown as the most comparable. Only a minority of organized units have accepted the County pattern expressed in its offer here.

7. In health insurance, the majority of the primary comparables demonstrate some requirement of employee contribution to health insurance premiums. In internal patterns in Marathon, a majority favoring employee contributions to health insurance is not present among bargaining units. The conclusion here is that the dominant pattern is that exhibited in the primary comparables and so the County offer is considered more comparable.

8. As to the Post Employment Health Plan, it is not considered a full quid pro quo for the requirement of employee contribution to health insurance, but it is not rejected as it offers some type of alternate compensation.

9. The proposed change in language over dental insurance is supported as having merit for both parties.

10. The proposal for eyeglass frame coverage is a minor weight for the County.

11. The County proposal mandating a Union representative on a labor-management committee is found not comparable and troublesome in composition.

12. Though the arbitrator believes that the changes in the contract language on direct deposit of wages should have been negotiated rather than imposed, he does not weigh this against the County though it may have technical problems.

13. In fringe benefits, the status of the County in its offer is reasonable and comparable.

14. In overall compensation, the County offer resulting in about 7.95% in two years is reasonable, given the changes in the cost of living to which the County offer is more nearly comparable.

15. The County offer will reasonably serve the interests and welfare of the public because of its general comparability with primary comparables.

16. In the foregoing lists by far the most weighty factors relate to wage proposals and health insurance. Both matters show the County offer being more comparable. Hence the following award:

XXII. AWARD.

The Agreement between the Marathon County Highway Employees Union Local 326, AFSCME, AFL-CIO and Marathon County should contain the Final Offer of the County.

FRANK P. ZEIDLER

Date August 13, 1999

Milwaukee, Wisconsin