

STATE OF WISCONSIN

Before the Interest Arbitrator

In the Matter of the Petition

of

**AFSCME Council 40, Local
2470 Monroe County Highway
Department Employees**

**For Final and Binding
Arbitration Involving
Personnel in the Employ of
Monroe County**

Case 140

**No. 57100 INT/ARB-8623
Decision No. 29586-A**

APPEARANCES

For the Union:

Dan Pfeifer, Staff Representative

For the County:

Ken Kittleson, Personnel Director

PROCEEDINGS

On May 26, 1999 the undersigned was appointed Arbitrator by the Wisconsin Employment Relations Commission pursuant to Section 111.70 (4)(cm) 6. & 7. of the

Municipal Employment Relations Act, to resolve an impasse existing between Monroe County Highway Department Employees, Local 2470, hereinafter referred to as the Union, and Monroe County, hereinafter referred to as the Employer.

The hearing was held on August 5, 1999, in Sparta Wisconsin. The Parties did not request mediation services. At this hearing the Parties were afforded an opportunity to present oral and written evidence, to examine and cross-examine witnesses and to make such arguments as were deemed pertinent. The Parties stipulated that all provisions of the applicable statutes had been complied with and that the matter was properly before the Arbitrator. Briefs were filed in this case and the record was closed on October 4, 1999 subsequent to receiving the final briefs.

ISSUE

The Parties have reached an agreement on all issues in this negotiation with the exception of the across-the-board wage increases. The Parties' respective positions are as follows:

	<u>UNION</u>	<u>MONROE COUNTY</u>
1/1/1999	2%	2.75%
7/1/1999	2%	---
1/1/2000	2%	2.75%
7/1/2000	2%	---

UNION POSITION

The following represents the arguments and contentions made on behalf of the Union:

There is no disagreement regarding the comparables in this matter. They include

comparable counties and the two most populous cities in Monroe County--Sparta and Tomah.

The Union provided Exhibits to show that the factor given greatest weight and factor given greater weight criteria do not apply to this case. The County has not claimed any inability to pay and the demographic information indicates that the County is really not any worse off than comparable counties. Limitations on expenditures and economic conditions of Monroe County are not determinative.

The Parties have been able to agree on all issues except across-the-board wage increases. The Union is proposing a total of 8% and the County is offering a total of 5.5% over the two year contract. The Union has provided exhibits which show that the highway employees of Monroe County are entitled to a wage catchup compared to the median average of the comparables. Regarding patrolmen, the 1998 starting wage and 1998 maximum wage are 28 and 42 cents per hour less respectively. The 1999 wage increase average of the comparables including lift for the year is 3.255%. The heavy equipment operators wage shows for 1998 a 9% less than average at the start and 21 cents per hour less at the maximum. The 1999 wage increase for this group is again 3.255%. Mechanics show a 1998 differential of 28% at the start and 42 cents per hours less at the maximum.

Generally speaking, the Union would argue that arbitrators prefer comparing wage levels rather than percentage of wage increases or amounts of wage increases. The Union cited numerous cases in support of this position. However, in this case the Union can also argue

comparisons based on percentage wage increases because the County's proposed wage increase lags behind the 1999 wage increases of the comparables. The Union's proposal is a 2% split which generates a lift of 4% but a cost of 3% for the year. The cost of lift of the County's proposal is 2.75%. With the County already behind on wages, the County's wage offer would only make the County further behind. Whereas, the Union's offer would bring wages closer to average of the comparables at a cost.

In support of its position for catchup, the Union cited numerous arbitration decisions. The County may argue that there is an internal settlement pattern established. The County is offering wage increases of 2.75% to all bargaining units. The other four bargaining unions have proposed higher increases. The County may argue that, if it prevails in the other interest arbitrations, an internal pattern would be established. Even if this were the case, the Union would argue that internal patterns would not be binding and again cited a number of arbitration decisions. The Union did not address the 2000 wage increase because there are not enough comparables to make a valid argument. The Union would also argue that the interest and welfare of the public would be better served by the Union's offer. The Union would further note that some comparables have longevity which Monroe County does not have. If longevity were to be included, the average wage of the comparables would increase.

Regarding the County's exhibits, the Union does concede that both wage offers exceed the cost of living. This is true of almost all of the comparables but the wage offer of Monroe County is lower than almost all of the comparables. Any disputes in the wage comparables

should be settled by viewing the actual contract provisions. Regarding private sector wages, these rates apply to many of the compared counties, however, the County's wage offer is less than almost all of the comparable counties. Regarding the historical wage settlements, the standard wage increases from 1995-1999 have been approximately 3%. Yet, the employees of Monroe County have lost ground relative to wages with respect to the comparable counties. The Union position is that the employees should not lose further ground during the next two years due to the County's substandard wage offer. Finally, the Union does not agree with the County's cast forward costing mechanism. The County may argue that the cost of the Union's final offer is too great.

Based on the record as a whole and in view of the circumstances brought to light in the brief, the Union argue that its offer is more reasonable and would respectfully request that the Arbitrator award the Union's final offer.

COUNTY POSITION

The following represents the arguments and contentions made on behalf of the County:

The County and the Union are in agreement concerning the comparables for these proceedings. They include 10 comparable counties and the cities of Sparta and Tomah.

The only issue before the Arbitrator is the across-the-board increases for contract years 1999 and 2000. Had the Union's final offer involved a 3% increase for each year of the contract instead of the 8% increase it proposed, the Arbitrator would have been faced with a choice of two similar and reasonable wage increases, both exceeding the cost of living. A review of the comparable wage rates in both the County and Union exhibits shows that Monroe County employees are at or near the average in all categories. Therefore, the Union has not or should not be proposing any catchup arguments in these proceedings. Under these circumstances the Union's proposed wage increases are excessive and the County's final offer is the more reasonable given the modest levels of the cost of living index.

The County has consistently taken the position against split wage increases recognizing that the Union's proposal is in reality a 4% increase dressed up in the more modest clothing of a 3% increase. This County has consistently opposed split wage increase agreements and would not enter one voluntarily and would protest the unilateral imposition of a split wage increase through an arbitration award. These increases deceive the budget for one year only and the greater wage lifts inherent continue in perpetuity.

County Exhibit 13 indicates that the total cost of the County's final offer is 7.5% while the Union's is 9% for the term. The total package costs are higher than the final wage offer

due to hefty health insurance increases for 1999 and a conservatively estimated 10% increase projected for 2000. These increases were mitigated slightly by a decrease in the Wisconsin retirement rates. The County requests that the Arbitrator consider the total package costs and not just the wage increase when choosing which final offer is more reasonable. Both Parties' final offers greatly exceed the cost of living index with the County's final offer being the more reasonable.

The Union's exhibits shows just how similar the comparables are in terms of the wage structures and rates. One would expect that the more cosmopolitan counties like Lacrosse and Wood would be wage leaders while the least sophisticated like Crawford and Vernon would be occupying the bottom rung. There appears to be a correlation between wage rates and demographic data listed in the County and Union exhibits. Give Monroe County's standing in the demographics, one would expect that Monroe County would be solidly in the middle of the pack of comparables when it comes to wage rates, and that is exactly where Monroe County is, situated at or near the mid-point. The Union would prefer that Monroe County be a wage leader, but that is not appropriate given the demographics. This case appears to be simple and straightforward. The Parties agreed to the comparable base and the only issue that remains outstanding is the size of the wage increase, but often the simplest and most straightforward cases require the most analysis. It is common knowledge that the average wage rate of wage settlements around the state is 3%. The County is trying to get by with a little less and the Union is trying to get more, and the Arbitrator is faced with the decision as to which final offer is more reasonable. The County is rather undistinguished when viewed

through the demographic data. It is not the largest or smallest, richest or poorest, most or least populated. It is average both in demographic data and in highway wage rates paid. To maintain the County's legitimate position within the comparables, an average increase of 3% would be in order. The County's final offer of 2.75% per year is much closer to the 3% average than the Union's final offer of 4+% per year. For all of the above reasons, the County urges the Arbitrator to choose the County's final offer as the more reasonable of the two.

STATUTORY CRITERIA

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 a 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 than 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. Stipulations 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 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 in the same community and in comparable communities.**
- g. The average consumer prices for goods 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.

DISCUSSION AND OPINION

With respect to the statutory criteria, the factor given greatest weight and the factor given greater weight are non issues in this matter since neither side made arguments based on the two criteria. Clearly, the County would be able to fund either proposal without respect to revenue caps or economic conditions. Of the other factors, the comparability statistics come into play along with the cost of living and overall compensation.

Given the respective positions of the Parties and the demographic data presented, it is clear from the record in this case that both Parties agree that the Monroe County Highway Department should be at the average for comparables. The County itself admits that its proposal is somewhat shy of this goal. However, it further argues that the Union's proposal is so far above this goal as to render itself inappropriate. The Arbitrator would find that the historical record in this case and the demographic data provided show that the highway employees should indeed be right at the median pay for the comparables. This Arbitrator recognized that, because of the ongoing nature of the collective bargaining process, this is

never going to be exact but within a reasonable plus or minus range. The median is the appropriate goal for this unit. The question then before the Arbitrator is which proposal best addresses this concept. It is clear from the record that the County's proposal is a little short of the mark, and the Union's proposal is in advance of the mark on a % basis. The question then is which proposal is most reasonable based on actual wages and given the statutory criteria.

Prior to the analysis the Arbitrator would like to comment on the concept of split wage increases. Wages, of course, are an ongoing benefit to employees, not a one time payment, and while split wage increases do offer some relief to employers in the year in which they are implemented, the overall impact on the employer and the bargaining unit are long lasting. A 2/2 split, as proposed by the Union in this case, while having a 3% impact in the year of implementation, has a 4% lift for the duration of this bargaining relationship. This Arbitrator has always, when making an analysis, considered the maximum wage of the bargaining unit and the comparables in any given contract year. Having said that, the Arbitrator does recognize that split wage increases can be helpful in some collective bargaining situations where there is a temporary budgetary problem which needs to be addressed. The Arbitrator in this record can find no such temporary budgetary anomaly and, therefore, will make his analysis based on the highest rates (County 2.75% and Union 4%) in any given year both among this bargaining unit and its comparables.

The Arbitrator made the following analysis of the data provided:

The cents per hour differential between the two proposals is approximately \$.16 for 1999 and \$.33 for 2000. The data for 1999 is relatively complete although some job titles have few direct comparables. Because of this the Arbitrator used the following job titles to analyze the data - Foreman, Mechanic, Equipment Operator II and I, Section Leader, Standby and Laborer. Utilizing the 1999 data with the exception of Foreman the Union's proposal is much closer and even slightly below the median in some cases. The 2000 data is much more problematic since only five out of twelve comparables are available. The Arbitrator used a 3% lift which seems to be conservative given the few actual settlements. This analysis shows that the Union' proposal is much closer to the median mark than the County's offer. Finally, despite the County's argument concerning overall compensation the Arbitrator cannot find in the data total compensation that would offset the above.

AWARD

On the basis of the foregoing and the record as a whole, and after full consideration of each of the statutory criteria, the undersigned has concluded that the final offer of the Union is the more reasonable proposal before the Arbitrator and directs that it, along with the stipulations reached in bargaining, constitute the 1999-2000 agreement between the Parties.

Signed at Oconomowoc, Wisconsin this 28th day of October , 1999.

Raymond E. McAlpin, Arbitrator