STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In The Matter Of The Petition Of

DISTRICT COUNCIL 48, AFSCME, AFL-CIO LOCAL 556

To Initiate Interest Arbitration Between Said Petitioner and

PIERCE COUNTY (HIGHWAY DEPARTMENT)

Case 131, No. 60637
INT/ARB-9427
Decision No. 30528-A

APPEARANCES:

Mr. Steve Hartmann, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO, P.O. Box 364, Menomonie, Wisconsin 54751, on behalf of the Union.

Mr. Stephen L. Weld, Weld, Riley, Prenn, & Ricci, S.C., 3624 Oakwood Hills Parkway, P.O. Box 1030, Eau Claire, Wisconsin 54702-1030, on behalf of the County.

District Council 48, AFSCME, AFL-CIO Local 556, hereinafter referred to as the Union, filed a petition with the Wisconsin Employment Relations Commission to initiate interest arbitration pursuant to Section 111.70(4)(cm) of the Municipal Employment Relations Act with respect to an impasse between it and Pierce County (Highway Department), hereinafter generally referred to as the County. The undersigned was appointed as arbitrator to hear and decide the dispute, as specified by order of the Wisconsin Employment Relations Commission, dated January 3, 2003. Hearing was held on May 2, 2003, without the services of a court reporter. Post-hearing initial and reply briefs were exchanged by September 8, 2003, marking the close of the record.

PARTIES' FINAL OFFERS

A. FINAL OFFER OF THE UNION

All tentative agreements.

1. APPENDIX A – COMPENSATION
HEALTH INSURANCE

Section 1. The County shall pay ninety-four percent (94%) of the employees plan, effective 1/01/03, the County shall pay ninety-three (93%) of the employees plan, and effective 1/01/04, the County shall pay ninety two (92%) of the employees single or family hospital medical-surgical plan, including major medical amendment.

2. APPENDIX A – COMPENSATION
HEALTH INSURANCE

Section 4: This language would be changed to:

Amend drug co-pay to $8 formulary and $25 non-formulary for prescriptions. If formulary is not available or patient does not tolerate the formulary, the $8 co-pay will apply to the non-formulary. (The other language shall remain the same.)

3. CLASSIFICATION AND PAY PLAN
Section 2. Employees shall receive up to a maximum of two hundred dollars ($200) per year toward prescription safety glasses. Classified mechanics and welders shall receive a clothing and tool allowance of one hundred twenty-five dollars ($125) per year.

4. CLASSIFICATION AND PAY PLAN
Classification of Jobs

Adjust the 7/01/01 wages for all classifications by 3% effective 1/01/02, 1% effective 7/1/02, 3% effective 1/01/03, 1% effective 7/1/03 and 3.5% 1/01/04.

5. CLASSIFICATION AND PAY PLAN

Classification of Jobs

Effective 7/01/02, 7/01/03 and 7/01/04, adjust class 1 & 2 position wages by $.10 per hour in addition to the increases in #5 above.

6. The County shall furnish uniforms of its choice to shop mechanics and welders.

B. FINAL OFFER OF THE COUNTY

All tentative agreements of December 6, 2002.

C 18. APPENDIX A – COMPENSATION
HEALTH INSURANCE

Section 1. The County shall pay ninety-five (95%) of the employees' single or family hospital-surgical plan, including major medical amendment. Effective 1/01/02, the County shall pay ninety-four percent (94%) of the employees plan, effective 1/01/03, the County shall pay ninety-three (93%) of the employees plan, and effective 1/01/04, the County shall pay ninety two (92%) of the employees single or family hospital medical-surgical plan, including major medical amendment.

C20. APPENDIX A – COMPENSATION
HEALTH INSURANCE

Section 4: This language would be changed to:

Amend drug co-pay to $8 formulary and $25 non-formulary for prescriptions. If formulary is not available or patient does not tolerate the formulary, the $8 co-pay will apply to the non-formulary. (The other language shall remain the same.)

C22. CLASSIFICATION AND PAY PLAN

Classification of Jobs

Section 2. Employees shall receive up to a maximum of two hundred dollars ($200) per year toward prescription safety glasses. Classified mechanics and welders shall receive a clothing and tool allowance of one hundred twenty-five dollars ($125) per year.

C25. CLASSIFICATION AND PAY PLAN

Classification of Jobs

Adjust the 7/01/01 wages for all classifications by 3.5% effective 1/01/02, 1/01/03, and 1/01/04, across the board. Effective 7/01/02, 7/01/03 and 7/01/04, adjust foreman position wages by $.10 per hour in addition to the other increases.

U14. The County shall furnish uniforms of its choice to shop mechanics and welders.

STATUTORY CRITERIA

The criteria to be utilized by the Arbitrator in rendering the award are set forth in Section 111.70(4)(cm), Stats., as follows:

> 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.
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> 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 under subd. 7r.
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> 7r. "Other factors considered." In making any decision under the arbitration procedures authorized in this paragraph, the arbitrator or arbitration panel shall also give weight to the following factors:
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> a. The lawful authority of the municipal employer.
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> b. Stipulations of the parties.
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> 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 performing similar services.
>
> e. Comparison of the wages, hours and conditions of employment 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 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 in 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.

POSITION OF THE UNION

A. INITIAL BRIEF

With respect to the appropriate group of comparables, the Union first notes that the County has been involved in three previous interest arbitration proceedings, although not involving this bargaining unit. The following external comparables were used on each occasion: Barron, Burnett, Chippewa, Dunn, Polk, Rusk, St. Croix, and Washburn. Buffalo County was found to be a primary comparable by one arbitrator, a secondary comparable by another arbitrator, and not comparable by the third arbitrator.

However, the Union proposes that the external comparable group be modified to include Polk, Dunn and St. Croix as the primary set, with Barron, Burnett, Chippewa, and

Washburn counties, as well as the municipalities of Prescott, Ellsworth and River Falls as a secondary set. The Union points out that arbitrators have recognized that comparability sets for one unit do not necessarily apply to units that have not previously been to arbitration.

Arbitrators must consider changed economic circumstances, which is the reason the Union is proposing the change to the group of comparables. The Union asserts that the County has rapidly changed economically and demographically. The inclusion of Pierce County in the Minneapolis-St. Paul metropolitan area has never been presented to an arbitrator. The Union contends that sometime between 1997 and 2003 Pierce County was included in the Minneapolis-St. Paul metropolitan area.

The Union submits that there is no surprise that Pierce County should be so included, since over 8,000 of the 21,000 working people who live in Pierce County work in the core Minneapolis-St. Paul metropolitan area. It also should be of no surprise that a similar proportion of St. Croix County residents work in the core metropolitan counties. St. Croix County should therefore be considered the single most relevant comparable.

Between 1998 and 2000 Pierce County improved from 27th in the state per capita income to 18th. While in household income Pierce County ranked 14th in the state in 1989 and 7th in 1999. Polk ranked 41st in 1989 and 29th in 1999. However, St. Croix County was 4th in 1989 and 1999.

The Union believes that the three most comparable counties: are Polk, St. Croix and Dunn. St. Croix and Polk are border counties, while Dunn is contiguous to Pierce County to the east and lies along the I-94 corridor. The secondary set would include

those immediately to the north and east, including: Chippewa, Barron, Washburn, and Burnett counties.

While the Union maintains an adjustment to the comparable group is now appropriate, the merits of this case are directly tied to internal comparability, specifically what is the internal pattern and appropriate quid pro quo. It should be noted that there is no dispute about the need for a quid pro quo; the only issue is what the settlement pattern is and the appropriate quid pro quo. The Union notes that external comparables should primarily be considered strictly with respect to wage levels; however, with respect to fringe benefits, internal comparables should carry more weight.

The negotiations were driven in all the bargaining units by the County's desire to increase the percentage of premium contribution paid by the employees. Previously, it was 95% by the County, 5% by the employee. As a result of the current bargain, all bargaining units have agreed to alter the premium contributions to 94%-6% in 2002, 93%-7% in 2003, and 92%-8% in 2004.

The internal pattern-quid pro quo was essentially uniform across all four settled groups: 3.5% increases on January 1, 2002, January 1, 2003, and January 1, 2004, a significant enhancement of the longevity benefit, and the addition of the new benefit for those units of incentive pay.

However, the County argues that only the 3.5% wage increases and the insurance modification should be considered. The Union responds that those units increased their wages substantially with the longevity and incentive pay changes. The Union stipulates that the two unsettled units have long had longevity and incentive pay programs. However, when new and/or improved economic benefits are distributed at the same time

insurance concessions are made, it is at best disingenuous to pretend that the changes do not represent part of a settlement pattern.

The value of the longevity and incentive pay can be calculated. In 2001 the value averaged $200.52 per employee. In 2002 the average was $505.60.

The average wage rate for the highway bargaining unit was $16.29. With 3.5% increases, the rate increases to $16.86 in 2002, $17.45 in 2003, and $18.06 in 2004. Under the Union's offer the increases would be to: $16.78 January 1, 2002, $16.95 July 1, 2002, $17.46 January 1, 2003, $17.63 July 1, 2003, and $18.25 for 2004.

After reviewing the numbers, the Union notes that the cost to the County in 2002 is 3.5%; however, the settled units are on average $305.08 per employee. In 2003 the cost of the Union's offer to the County is 3.5%; however, by the end of 2003 the settled units receive an increase on average above the 3.5% of $610.16. Under the Union's offer employees would only receive an additional $187.20 by the end of 2003, but no additional amount under the County's. Over the three years, under the Union's offer the Highway employees receive a total of an additional $561.60 over the 3.5% increases, while the settled units receive an additional average of $915.24 above the 3.5% increases.

The Union believes the true settlement pattern includes the 3.5% increases plus $305.08.

B. REPLY BRIEF

The case law on which the County relies in support of the claim that there is no need for a quid pro quo does not apply to this dispute. Most of the cited cases dealt with health insurance. Here, there is no dispute concerning the amount of health insurance premium co-payment; rather, the dispute centers on whether this unit is entitled to a quid

pro quo equivalent to that received by the other units that agreed to the greater premium increase. This section of the County's brief is nothing more than an attempt to induce the arbitrator to comment on an issue not before him.

The County argues that its position should be sustained because it reflects an internal pattern of consistent wage settlements. Those cited cases include either "lone hold-outs" regarding health insurance or catch-up wage proposals. Neither applies here because the Union's proposal goes to the matter of an equivalent buyout for the change in health insurance contributions.

The other units received longevity pay, which is significantly more than the 3.5% that the County proposes here. Salary includes both longevity and the salary schedule. Furthermore, the longevity has been changed in the other units to a percentage system which increase with wages over time in exactly the same manner as the lift in the Union's proposal.

The County argues that the "Interests and Welfare of the Public" criteria supports its position because the Union's proposal disrupts the internal settlement pattern. However, that claim ignores the considerable increases in take-home wages through the improvement in longevity for the other settled units. The County asserts that the longevity that was agreed to with the other units should be disregarded. The case that is cited deals with the amount of health insurance premium, which is not in dispute here. The Union is not holding out for more substantial wage increases, when the longevity improvements for the other units are taken into account.

The County makes much of the language changes with the other units and the minor changes with this unit. However, all of this amounts to is the normal give-and-take

of bargaining. The County would have the arbitrator believe that the equalization in longevity and incentive pay for the settled units came out of a generosity of spirit or automatic deposit of payroll provision. However, the issue was insurance, and the tradeoff was the incentive pay and longevity, the "deal sealer" as County Administrator Schroeder called it.

With respect to the Union's proposed changes to the external comparable group, the County submits that the factors of comparability have not changed since the 1988 and 1989 arbitration awards when the County's proposed comparables were first used. However, there has been a considerable change in income levels in Pierce County. It is useful to look at the County's proposed external comparables to see which counties they used. In interest arbitration awards involving Burnett, Rusk, and Barron Counties, neither party proposed the inclusion of Pierce County. It is also common to consider municipalities within the County as comparables to a county highway unit. Those municipal comparables in Pierce County have considerably higher wage rates than comparable positions in this Highway Department.

The Union responds that the County misconstrues the Union's proposed comparable group because the Union would propose Dunn, Polk, and St. Croix as primary comparables only. The Union believes the data support its proposed comparable group to give greater weight to those three counties.

The Union finds the County's arguments that its wage offer exceeds the majority of external wage settlements to be totally inconsistent. For example, the County looks at the cost of Dunn County's settlement as 3%, while ignoring the lift of 4%. However, the County then focuses on the impact of the lift in the Union's offer.

One finds that when the longevity pay and incentive pay is included for the four internal units, the increases as of December 2002 exceed the 3.5% adjustment in amounts and approximate the results from the lifts in the Union's offer in 2004. The Union believes that a comparison of the longevity and incentive pay improvements obtained by these units strongly favors the 16 to 19 cents per hour differential which occurs under the Union's offer for 2004.

The County is also inconsistent when it considers the elimination of a PPO plan in Polk County as a quid pro quo, while a switch to a PPO in Washburn County is also characterized as a quid pro quo by the County. Both parties' offers fall within the 2002 and 2003 settlement patterns. The County's argument that its 3.5% wage proposal constitutes an adequate quid pro quo when four of its proposed comparables settled for a 4% lift in 2002 and/or 2003 and Polk County for an even higher lift over those two years is completely unpersuasive. The premium contribution issue has been settled; the dispute is over which proposal's quid pro quo is better supported by the evidence.

As previously noted, comparable non-county DPW units of municipalities better support the Union's offer.

With respect to the CPI, the Union contends that the Minneapolis-St. Paul CPI is more appropriate, because Pierce County is now in that metropolitan area. However, CPI should not be considered crucial, because the dispute focuses more on the appropriate quid pro quo. Here, the internal pattern has greater significance.

The County seems to ignore that each employee in the settled units will receive $305 more under the settlement for the same insurance changes as agreed to by this unit if the County's offer is accepted. Under the Union's proposal, the actual increase in

wage income is far more equivalent to the settlement of the other groups and should be favored.

In conclusion, the Union contends the external comparable group needs to be modified as described above and its final offer more closely resembles the internal settlement pattern/quid pro quo. The Union cites arbitral authority in support of its position.

POSITION OF THE COUNTY

A. INITIAL BRIEF

The County submits that the question to be answered by the arbitrator is how much quid pro quo, if any, is required to compensate for the Union's agreement to increase the employee's contribution to health insurance. The County notes that the four settled bargaining units have agreed to the increased premium contributions. While the Union contends that the tradeoff is the longevity provisions agreed to in the other units, the County responds that its wage offer includes a significant quid pro quo.

The County asserts that when health insurance cost is at issue, there is a significant reduction in the need or amount of the quid pro quo. That issue was addressed in two 1995 Pierce County interest arbitration decisions. Both arbitrators held that no quid pro quo was needed with an increase in the employee contribution toward health insurance premiums. The County cites additional arbitral authority for this proposition. Moreover, no quid pro quo is required when there is a strong internal pattern.

Given the consistent internal settlement pattern, the County's offer is more reasonable. The County notes that this is a widely respected arbitral principle. The

County has had a consistent internal wage settlement pattern since 1987. The two 1995 Pierce County awards also deemed that a significant principle. The County's policy of maintaining a consistent settlement pattern has continued. Four of the six units have agreed to a 3.5% general wage increase for each of the three years.

Because the Union seeks more in this unit and the Courthouse unit, it has the burden to demonstrate why it should receive a higher wage increase. Arbitrators adhere to the settlement pattern unless it can be shown that adherence to the pattern would cause unreasonable or unacceptable wage relationships.

The Union has failed to demonstrate why it should receive a higher wage increase. A review of the external comparables shows that this unit generally exceeds all comparables, except St. Croix County. Dunn County pays its highest paid Equipment Operator two cents per hour more and Burnett and Washburn Counties pay more for their Foreman positions. Moreover, this unit fares better against comparable benchmark positions than the other internal units against their external benchmarks.

The Union, however, points to the longevity increases agreed to with the other bargaining units as justification for its wage proposal. The County responds that those longevity increases were only one of a number of changes intended to equalize benefits for all bargaining units. Other equalizing changes were made with respect to those other bargaining units as well.

On the other hand, the County also agreed to improvements with this unit in an effort to equalize benefits. The County agreed to an equalizing improvement in paid holidays and employees' wait time for employer contributions to health insurance. In

addition, the County agreed to a $200 reimbursement toward safety glasses and furnishing uniforms for Shop Mechanics and Welders.

The Union's argument of an inadequate quid pro quo has been rejected by arbitrators in a number of cases. The County quotes arbitration awards in this regard.

The arbitrator must consider the interests and welfare of the public. While the County does not claim an inability to pay, it does assert an unwillingness to pay, for to do so would disrupt a consistent sixteen-year practice. The County suggests that there is simply no reason to disrupt the internal settlement pattern. There is no recruiting or turnover problem.

The Union's higher wage proposal cannot be justified. The County's decision to equalize benefits should not require it to provide equivalent increases to a previously advantaged group of employees. Otherwise, attempts to equalize benefits would simply ratchet up unequal benefits.

Arbitrators have held that it is good public policy to provide equal benefits to all County employees. The County also agreed to other equalizing language changes with its other bargaining units.

The County submits that the public interest is better served by not rewarding the Union for holding out for more substantial wage gains than those voluntarily agreed to with the other bargaining units. As arbitrators have stated, it is not good public policy to be whipsawed by multiple bargaining units.

With respect to the Union's proposed change in the comparable groups, the County argues that the Union must provide a compelling reason. While there is not an

established comparable group for this unit, it has been held that it is reasonable to rely on comparables established for other bargaining units with the same municipal employer.

The County's proposed group of comparables has been used over several years and across numerous bargaining units. Arbitrators have agreed to the County's proposed external comparable group for the most part. The County notes that while there is currently a wide range in household incomes between the comparable counties, there was a similar wide range in incomes when the lower income comparable counties were considered appropriate by previous arbitrators in Pierce County interest arbitration awards.

In 1997 Arbitrator Baron rejected a similar argument of the Union to change comparables with this County because Pierce County is part of the Twin Cities metropolitan area. Pierce County continues to remain "in the middle of the pack" in terms of population, equalized value, operating levy, and tax rate in the ten-county group.

The Union's proposal to consider the cities of Prescott and River Falls and the Village of Ellsworth as secondary comparables should also be viewed with skepticism. The Union has failed to provide demographic data justifying their inclusion.

Moreover, using only three primary comparables, as the Union proposes, is simply too few. Otherwise, the wage rates for one particular employer would receive undue weight.

The County asserts that its proposed wage increases are higher than the external comparable pattern of 3% in both 2002 and 2003. The additional 0.5% is the quid pro quo for the increased employee contribution for the health insurance premiums. While there is no consistent pattern of across-the-board wage increases for the comparable

counties during the 2002-2004 time period, Employer Exhibit 36 presents actual wage increases. Six of the ten comparables had wage increases of 3% or less for 2002. Seven of the ten had 3% or less for 2003. Moreover, some of those external comparable wage increases included health insurance changes.

While the Union will argue that the parties both have a 3.5% wage cost for each year, the Union's 3%-1% split will result in higher take home pay for subsequent years. Arbitrators recognize the long lasting impact of such wage splits.

The previous employee contribution of 5% toward the health insurance premium was less than the majority of the external comparables. For each of 2001, 2002, and 2003 employee contributions for single coverage is similar to the external comparables. However, for family coverage, the County's contribution is more than most of the external comparables.

When other public sector comparables are considered, the County's offer is favored. The City of Prescott and the five bargaining units in the City of River Falls all agreed to 3% increases for 2002. In 2003 two of Prescott's units agreed to 3% increases, and one of those agreed to 3% in 2004. River Falls settlements of less than 3% were agreed to for most of the units for 2003 and 2004.

With respect to the cost-of-living criteria, the County argues that it is well established that total package costs are considered. While the total package costs between the offers is not significantly different, the County's offer is closer to the cost-of-living criteria.

The remaining issue is whether a 10 cent per hour wage adjustment on July 1 each year should be limited to the Foreman position, as the County proposes, or to all positions

in pay classifications 1 and 2. The Shop Foreman is the only position in Classification 1 while Outside Foreman, Parts Man, and Sign Engineering Aide positions are included in Classification 2. There has been a wage compression between the Foreman and the positions he supervises. The wage adjustment rationale does not apply to those other positions.

B. REPLY BRIEF

In response to the Union's initial brief, the County replies that the cases the Union uses to justify changing the external comparables are distinguishable. While comparables can change over time, there must be a reason to do so. There have been no pertinent changes since Arbitrator Baron's 1997 decision. While the northwest corner of Pierce County has become a bedroom community for the Minneapolis-St. Paul metropolitan area, the rest of the County remains agrarian. More importantly, the County asserts that the Union has failed to provide evidence that those economic and demographic changes have not also been experienced by the recognized comparables.

Moreover, the County submits that the Union's proposal regarding external comparables differs from comparables previously determined by arbitrators for the County's other units. In addition, the Union has proposed comparables different from what it proposed at the hearing. The Union did not mention at hearing, as it does in its initial brief, that Barron, Burnett, Chippewa, and Washburn should continue as secondary comparables.

The County further disagrees with the Union's assertion that there is no dispute about the need for a quid pro quo. While the County did offer a quid pro quo of a 0.5%

wage increase for increased employee health insurance contributions, the County believes that the need for a quid pro quo is reduced or eliminated because of health insurance cost increases.

While the Union claims that longevity improvements and incentive pay were the quid pro quo to "seal the deal" and the 3.5% wage increase was also part of the uniform internal settlement pattern, the County points out that the Human Service nonprofessional unit did not receive incentive pay, since it was already in place.

In addition, the Union attempts to differentiate changes of an economic nature from contractual changes. If that were the case, there would be no "price" for eliminating such provisions as strict seniority in job posting or layoff situations. The County has previously pointed out several concessions in the four voluntary settlements: (1) increasing the workweek from 35 to 40 hours (for the Human Services nonprofessional unit); (2) direct deposit of payroll checks (for the Human Services Professionals, Community Health, and Sheriff's Department units); and (3) withdrawal of a grievance by the Community Health unit (County Exhibit 21) and settling a grievance by the Sheriff's Department unit. Except for direct deposit for new employees, the Union has agreed to no similar savings.

The County further believes that the Union's calculation of additional monies by the four settled groups ($305.08 per year) is misleading because the longevity payments are determined by a percentage of income. Three of the four voluntarily settled units are the most highly paid within the County. In addition, only 67% of the employees in the other units received additional monies due to the longevity improvements Some employees in Human Services actually lost longevity monies because the new provision

requires five years of service instead of the previously required three years. The four settled units received the improved longevity benefit long enjoyed by the Highway unit, but not all of those employees will receive additional monies to compensate for the increased employee contributions toward health insurance.

The County concludes that for the foregoing reasons, its Final Offer is more reasonable and should be adopted. The County cites arbitral authority in support of its position.

DISCUSSION

APPROPRIATE EXTERNAL COMPARABLES

No external comparable group has been established for the Highway bargaining unit. However, in interest arbitration proceedings involving the Sheriff's Department in 1988 and 1989 the counties of Barron, Burnett, Chippewa, Dunn, Rusk, St. Croix, and Washburn were used. In a 1995 arbitration proceeding involving the Human Services Professional unit, Arbitrator Weisberger added Buffalo and Pepin only as secondary comparables, because of their more rural demographics. Arbitrator Weisberger also included the municipalities of Prescott and River Falls, as well as seven area school districts as secondary comparables. In a 1995 arbitration proceeding involving the Sheriff's Department Arbitrator Freiss included all of those counties, except for Buffalo County. In 1997 Arbitrator Baron included all ten counties in an award involving the Human Services Non-Professional unit.

The County maintains the ten county comparable group should be used with this unit as well. The Union, on the other hand, contends that the economics and

demographics in Pierce County have changed sufficiently over the last few years (because it should now be considered as part of the Minneapolis-St. Paul metropolitan area) to use as a primary set of comparables: Polk, Dunn, and St. Croix. The Union would propose as a secondary set: Barron, Burnett, Chippewa, and Washburn Counties as well as the Pierce County municipalities of Prescott, Ellsworth, and River Falls.

As the County points out, it is a generally accepted principle to defer to arbitration awards where external comparables have been established for other bargaining units of a municipality. While it is reasonably clear that over the last several years more of Pierce County's working families live in the county while commuting to work in the Minneapolis-St. Paul Metropolitan area, much of Pierce County has remained rural in its economics and demographics. While there can never be an exact match between comparables on all of the key criteria of the demographics and economics, in the 1995 award involving the Human Services Professional unit Arbitrator Weisberger's determination to include Buffalo and Pepin as only secondary comparables, because of their more rural demographics, is that much more persuasive now.

The undersigned is therefore satisfied that because the external primary comparable group of eight counties, previously established for the other units, are reasonably close geographically, economically, and demographically, they are appropriate for the Highway unit. The primary group of comparables include:

Barron
Burnett
Chippewa
Dunn
Pepin
Polk
Rusk
St. Croix

The secondary external comparable counties include Buffalo and Pepin. Using the municipalities of Prescott, Ellsworth, and River Falls as secondary comparables is also appropriate. They lie within Pierce County and perform similar functions as the County's Highway Department.

ACROSS-THE-BOARD WAGE INCREASES

All of the settled units, as well as the Couthouse unit and this unit that have not yet settled, have agreed to, or proposed, the same progressive increases in the employees' share of the health insurance premium in 2002, 2003, and 2004. The Union contends that there has been a substantial quid pro quo by the County for that concession to the other settled units, namely the longevity and, in most of those other units, the incentive pay plans that this unit already has. Because this unit already has those as part of its compensation package, the Union proposes 4% lifts (with a 3.5% cost) across-the board wage increases the first two years of the contract as the quid pro quo. The County responds that no quid pro quo is required, but if that analysis applies 3.5% across-the-board wage increases are sufficient.

It is widely recognized that health insurance cost increases have become a nationwide problem. However, the undersigned disagrees that because health insurance cost increases present a serious, nagging problem, a quid pro quo is not required. There should be some sort of reasonable quid pro quo when there is such a concession on the health insurance.

Because the parties were not able to voluntarily settle the wage issue in conjunction with changes in health insurance, the statute requires an analysis of how other comparable counties may have responded to the dilemma. The following table summarizes the external comparable counties' (both primary and secondary) wage increases along with health insurance changes.

EXTERNAL COMPARABLE HIGHWAY WAGE SETTLEMENTS

COUNTY	2002	2003	2004
BARRON (2002 Changed health ins. From 93% to 93% [or 105% of least expensive plan, whichever is less])	1/1 2.0% 7/1 1.0% (plus 30 cents patrol class. 20 cents all others)	1/1 2.0% 7/1 1.0% (plus 30 cents patr. Class. 25 cents all others)	Not Settled
BUFFALO	3.0%	3.0%	Not Settled
BURNETT (2003 Switched to PPO plan)	3.0%	3.0%	3.0%
CHIPPEWA (2002 Changed PPO plan and eliminated standard plan)	4.0%	3.0%	Not Settled
DUNN (2002 95% employer contribution to single premium – was 100%; eliminated trad. Plan with $1,000 buyout to single and $2,000 to family, among other changes)	1/1 2.0% 7/1 2.0%	1/1 2.0% 7/1 2.0%	Not settled
PEPIN (2002 Implemented State Health Ins. Plan	3.0%	3.%	3.0%
POLK (2002 Dropped PPO plan; trad. Health plan remains)	1/6 2.0% 7/7 20 cents Hwy. 8/4 2.0%	1/5 3.0% 7/6 20 cents Hwy. 12/31 15 cents Hwy.	Not Settled
RUSK	4/1 3.0%	1/1 2.0% 4/1 1.0%	Not Settled
ST. CROIX	1/1 3.0% (plus 36 cents Mech.)	Not Settled	Not Settled
WASHBURN	3.0 % (plus 36 cents Mech.)	3.0%	Not Settled

(DERIVED FROM COUNTY EXHIBIT 35)

The settlements do not present a particularly cohesive pattern. There is a wide range of across-the-board wage increases as well as a variety of health insurance changes.

When the information is re-framed to look at the lift vs. the cost of the across-the-board increases, the following table results:

EXTERNAL COMPARABLE HIGHWAY WAGE SETTLEMENTS (LIFT VS. ACTUAL)

COUNTY	2002		2003		2004	
	LIFT	ACTUAL	LIFT	ACTUAL	LIFT	ACTUAL
BARRON	4.30%	3.15%	4.60%	3.30%		
BUFFALO	3.00%	3.00%	3.00%	3.00%		
BURNETT	3.00%	3.00%	3.00%	3.00%		
CHIPPEWA	4.00%	4.00%	3.00%	3.00%		
DUNN	4.00%	3.00%	4.00%	3.00%		
PEPIN	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
POLK	5.30%	3.50%	5.45%	5.00%		
RUSK	3.00%	2.25%	3.00%	2.75%		
ST. CROIX	4.00%	3.50%				
WASHBURN	3.00%	3.00%	3.00%	3.00%		

(DERIVED FROM COUNTY REVISED EXHIBIT 36)

Again, there is a wide range in the settlements, with lifts ranging from 3.00% to 5.30% for 2002 and from 3.00% to 5.45% for 2003. 2004 must be disregarded, with only one settlement for that year. Wage costs ranged from 2.25% to 4% in 2002 and from 2.75% to 5.00% for 2003.

No particular pattern in external comparable wage settlements has been demonstrated, and the information from those tables does not support either party's final offer position. While the County asserts that the 3.5% across-the-board increases are enough of a quid pro quo for the increased employee contributions to the health insurance premiums, when viewed against the wide-ranging external comparable settlements, this contention has not been demonstrated.

When the dispute is impacted by the agreed-to increases in the employees' contribution toward health insurance, it is particularly important to turn to the internal comparable bargaining units to see how they have handled the matter. The following table outlines how the internal units have addressed certain of the key proposals in the final offers here.

INTERNAL UNITS – KEY SIMILAR PROVISIONS

UNIT	WAGES			HEALTH INS. (CTY/EE% CONTR.)			LONGEVITY	INCENTIVE
	2002	2003	2004	2002	2003	2004	5yr 10 yr 15 yr	10yr 15 yr 20 yr
HUMAN SERVICES (SUPPORT)	3.5 %	3.5%	3.5%	94/6	93/7	92/8	1% 2% 3% (NEW PROVISION)	$50 $100 $200 (STATUS QUO)
HUMAN SERVICES (PROFESSIONAL)	3.5 %	3.5%	3.5%	94/6	93/7	92/8	1% 2% 3% (NEW PROVISION)	$50 $100 $200 (NEW PROVISION)
SHERIFF'S	3.5 %	3.5%	3.5%	94/6	93/7	92/8	1% 2% 3% (NEW PROVISION)	$50 $100 $200 (NEW PROVISION)
COMMUNITY HEALTH	3.5 %	3.5%	3.5%	94/6	93/7	92/8	1% 2% 3% (NEW PROVISION)	$50 $100 $200 (NEW PROVISION)
COURTHOUSE (NOT SETTLED)								
UNION:	3%-1%	3%-1%	3.5%	94/6	93/7	92/8	NO PROPOSALS (STATUS QUO: 1% / 2%/ 3%)	NO PROPOSALS (STATUS QUO: $50/$100/$200)
COUNTY:	3.5 %	3.5%	3.5%	94/6	93/7	92/8		
HIGHWAY								
UNION:	3%-1%	3%-1%	3.5%	94/6	93/7	92/8	NO PROPOSALS (STATUS QUO: 1%/2%/3%)	NO PROPOSALS (STATUS QUO: $50/$100/$200)
COUNTY:	3.5 %	3.5%	3.5%	94/6	93/7	92/8		

It is fair to say that much of the dispute centers on how the above data should be interpreted. The Union argues that four of the settled units received the longevity pay and three of the four received incentive pay as the quid pro quo for the increased employee contributions toward health insurance premiums. In addition, the Union asserts the longevity and incentive pay must be viewed like any other wage increase. The County responds that each unit received other quid pro quos in trade for the increased employee premium contributions.

While the County also points to the long history of internal consistency in the wage settlement pattern, the undersigned agrees with the Union that the longevity and incentive compensation must be viewed like any other wage increase. Furthermore, those wage improvements are substantial. With five years' service, the employee receives a longevity payment of an additional 1%, with ten years' an additional 2%, and with fifteen years' an additional 3%. In addition, three of the units received the incentive pay plan of $50 for ten years' service, $150 for fifteen years', and $200 for twenty years.' The fourth unit already had that incentive pay plan. Those improvements are thus part of the internal wage settlement pattern that must be considered here.

As noted above, there should be a quid pro quo for the progressive increases in the employees' contributions to the health insurance premiums. The 3.5% across-the-board wage increases do not demonstrate a quid pro quo for this unit when compared with the external settlements. Given the substantial improvement in wages resulting from the longevity and incentive pay plans, it can reasonably be concluded that the wage improvement, for at least some of the units, is the quid pro quo for the increases in the employees' contributions to the health insurance premiums. Because the County has not

offered a comparable financial incentive[1] to this bargaining unit, the County offer is rejected.

The Union's proposal on the across-the-board wage increases is found to be a reasonable trade-off for the increases in the employees' contributions toward the health insurance premiums and is preferred.

ADDITIONAL WAGES FOR CERTAIN CLASSIFICATIONS

The Union proposes increasing Job Classification I (Shop Foreman) and Job Classification II (Outside Foreman, Parts Man, and Sign Engineering Aide) by an additional 10 cents per hour. The County, on the other hand, proposes increasing only Foreman classifications by 10 cents per hour.

The undersigned agrees with the County that the data indicate the Outside Foreman position needs to receive a bump because of wage compression compared to the Operators and Skilled Bridge Workers. However, it does not appear that there is such a justification to bump up the other classifications, as proposed by the Union. The undersigned finds the County's proposal on this issue to be more reasonable.

OTHER PROPOSALS

All the remaining proposals of both final offers are identical.

[1] Except for the new longevity and incentive pay provisions, the other agreed-to contractual provisions in most of the settled internal units do not contain such a substantial monetary impact.

CONCLUSION

The across-the-board wage increase is the overwhelming determinative issue. Therefore, the undersigned, having considered the statutory criteria, the evidence and arguments of the parties, and determined the Union's across-the-board wage proposal as preferable, concludes that the final offer of the Union is more reasonable and is favored over the offer of the County.

In that regard, the undersigned makes and issues the following:

AWARD

> The Union's final offer shall be incorporated into the 2002-2004 three-year collective bargaining agreement between the parties, along with those provisions agreed upon during their negotiations, as well as those provisions in their expired agreement which they agreed were to remain unchanged.

Dated in Madison, Wisconsin, on October 3, 2003, by

_____

Andrew M. Roberts, Arbitrator